

HERCULES CORP.

- 1.a. Hercules Corp., 550 West John Street, Hicksville, NY 11801.
- 1.b. Andrew May, 9 Rolling Hill Road, Old Westbury, NY 11568
Matthew Reich, 303 East 57th Street, New York, NY 10022
- 1.c. New York. June, 1960.
- 1.d. Not applicable.
- 2. We do not own the site. We are a tenant at this location.
- 3.a. Not applicable.
- 3.c. Hercules Corp. from May, 1993 through the present.
- 3.d. Not applicable.
- 3.e. Not applicable.
- 3.f. Not applicable.
- 3.g. Not applicable.
- 4. Enclosed is the floor plan of the building at 550 West John Street which consists of a single 40,000 square foot structure on the property. We do not, and have never had, any drainage system plans for the property.
- 4.a. There are no additional buildings nor have there been any above-ground storage tanks on the property at any time since we occupied the building in 1997.
- 4.b. All sanitary sewer systems are tied directly into the town sewer system. All dry wells have been in place prior to our move in, and we have been told by the landlord that they are interconnected. We have them periodically cleaned out as excess debris, leaves, plastic bags, get into the dry well and cause drainage issues on surfaces. This has been done every other year and the material is removed from the property.



4.c. We do not have any chemical or industrial hazardous substance storage, transfer, spill and disposal area, nor have we ever had any of these.

5. The company's operation at 550 West John Street consists of four separate components. Approximately 7,500 square feet of the space is our office area. Approximately 4,000 square feet consists of our Collections Department where money (coins and bills) are processed. Our warehousing, shipping and receiving and Parts Department covers approximately 20,000 square feet. Our Assembly and Production Department occupies the remaining 8,500 square feet. Assembly and production consist of taking washers and dryers that we remove from the field (where we typically install, service and collect them) and recondition them. The dryers would be taken apart, washed and then sanded, removing old paint. We would clean the parts in a Safety-Kleen parts washer using a heated aqueous solution that is solvent free. After the outer cabinets are cleaned, they are painted using electrostatic paint and then baked in our oven. They are then brought to the assembly line where they are reassembled and tested.

6.a. The following industrial products are used by Hercules that provide industrial waste:

1. Sherwin Williams Strobe White Powder paint.
2. Sherwin Williams denatured alcohol.
3. Sherwin Williams lacquer thinner.

6.b.1 We purchase approximately 1,500 gallons annually of Strobe White Powder paint. Once the material is sprayed, excess on the floor and all material that did not adhere to the cabinet ends up in the filters. Filters are removed and changed and the old filters are stored in a 55 gallon drum until the drum is full and is picked up by Safety Kleen. Additionally, all excess paint that is swept up is put in the same drum. Each year approximately two to four drums are picked up by Safety Kleen.

6.b.2 Denatured alcohol is used to clean the cabinets and panels on the laundry equipment that has come back from the field and is just cleaned and "wiped down." We purchase approximately 50 gallons annually. The alcohol is used with clean rags to clean these items and when completed, the used rags are stored in 55 gallon drums and when full, would be picked up by Safety-Kleen. Each year we dispose of two to three 55 gallon drums.

6.b.3 Lacquer thinner is used in conjunction with the painting process. We use it to clean the excess paint off caused by overspray. Similar to the denatured alcohol, the rags we use to clean the lacquer thinner are industrial waste and also put into 55 gallon drums. We use

approximately 20 gallons annually and the disposal amount is part of the above mentioned two to three 55 gallon drums.

7. All waste material listed in question 6 is disposed of by Safety Kleen. All three products are stored in 55 gallon drums, and when full, are collected by Safety Kleen. They affix the appropriate hazardous material label on each barrel and dispose of it.

8. We know of no intentional or unintentional disposal of industrial waste at our property.

9. We have had no leaks, spills, or releases of any kind of any industrial wastes.

10. None.

11. All insurance policies specifically exclude environmental waste and damage.

12. None.

13. None.

14. Matthew Reich, Chief Financial Officer
Tony Persaud, Production Manager

The information provided above comes from direct knowledge as well as review of invoices.

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of New York

County of Nassau:

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information regarding the New Cassel/Hicksville Site) and all documents submitted herewith, and that I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

Matthew Reuck
NAME (print or type)

CFO
TITLE (print or type)

[Signature]
SIGNATURE

Sworn to before me this

27 day of Sept, 2013

JEANNINE REDDING
Notary Public, State of New York
No. 4911794
Qualified in Suffolk County
Commission Expires Nov. 16, 2013

[Signature]
Notary Public

STANDARD FORM OF LOFT LEASE

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L-1/86

Agreement of Lease, made as of this 7th day of March 19 94, between
NewGen Realty Partners, L.P. having an address at 375 North Broadway, Jericho, New York
11753

Hercules Coinomatic Corp. and
party of the first part, hereinafter referred to as OWNER, and Hercules Corp. New York corporations
having an address prior to the delivery of possession at 120 Nassau Avenue, Inwood,
New York 11696 and after the delivery of possession having an address at 550 West
John Street, Hicksville, New York 11801 jointly and severally

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner
party of the second part, hereinafter referred to as TENANT,
550 West John Street, Hicksville, New York 11801 as shown on
Exhibit A annexed hereto

In the Borough of , City of New York, for the term of Ten (10) Years

(or until such term shall sooner cease and expire as hereinafter provided) to commence on the
1 day of February nineteen hundred and 94 , and to end on the
31 day of January nineteen hundred and 2004
both dates inclusive, at an annual rental rate of One Hundred Ten Thousand and 00/100 Dollars (\$110,000.00)
during the first year of the term and thereafter as provided for in Rider B attached hereto

which Tenant agrees to pay in lawful money of the United States which shall be legal tender in payment of all debts and dues,
public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said
term, at the office of Owner or such other place as Owner may designate, without any set off or deduction whatsoever, except
that Tenant shall pay the first monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment
of rent to Owner pursuant to the terms of another lease with Owner or with Owner's predecessor in interest, Owner may at
Owner's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable
hereunder and the same shall be payable to Owner as additional rent.

The parties hereto, for themselves, their heirs, distributees, executors, administrators, legal representatives, successors
and assigns, hereby covenant as follows:

Occupancy: 1. Tenant shall pay the rent as above and as hereinafter provided.
Use: 2. Tenant shall use and occupy demised premises for warehouse, light manufacturing, repair,
restoration and painting of clothes, cleaning equipment
provided such use is in accordance with the Certificate of Occupancy for the building, if any, and for no other purpose.

Alterations: 3. Tenant shall make no changes in or to the demised
premises of any nature without Owner's prior written
consent. Subject to the prior written consent of Owner,
and to the provisions of this article, Tenant at Tenant's expense, may
make alterations, installations, additions or improvements which are non-
structural and which do not affect utility services or plumbing and electri-
cal lines, in or to the interior of the demised premises using contractors or
mechanics first approved by Owner. Tenant shall, at his expense, before
making any alterations, additions, installations or improvements obtain
all permits, approval and certificates required by any governmental or
quasi-governmental bodies and (upon completion) certificates of final ap-
proval thereof and shall deliver promptly duplicates of all such permits,
approvals and certificates to Owner. Tenant agrees to carry and will cause
Tenant's contractors and sub-contractors to carry such workman's com-
pensation, general liability, personal and property damage insurance as
Owner may require. If any mechanic's lien is filed against the demised
premises, at the building of which the same forms a part, for work claimed
to have been done for, or materials furnished to, Tenant, whether or
not done pursuant to this article, the same shall be discharged by Tenant
within thirty days thereafter, at Tenant's expense. Filing the bond re-
quired by law or otherwise. All fixtures and all paneling, partitions, call-
ings and like installations, installed in the premises at any time, either by
Tenant or by Owner on Tenant's behalf, shall, upon installation, become
the property of Owner and shall remain upon and be surrendered with the
demised premises unless Owner, by notice to Tenant no later than twenty
days prior to the date fixed as the termination of this lease, elects to re-
linquish Owner's right thereto and to have them removed by Tenant, in
which event the same shall be removed from the demised premises by Ten-
ant prior to the expiration of the lease, at Tenant's expense. Nothing in
this Article shall be construed to give Owner title to or to prevent Tenant's
removal of trade fixtures, moveable office furniture and equipment, but
upon removal of any such from the premises or upon removal of other in-
stallations as may be required by Owner, Tenant shall immediately and at
his expense, repair and restore the premises to the condition existing prior
to installation and repair any damage to the demised premises or the
building due to such removal. All property permitted or required to be
removed, by Tenant at the end of the term comprising in the premises after
Tenant's removal shall be deemed abandoned and may, at the election of
Owner, either be retained as Owner's property or removed from the
premises by Owner, at Tenant's expense.

Repairs: 4. Owner shall maintain and repair the interior of the
the public portions of the building. Tenant shall
throughout the term of this lease, take good care of the
demised premises including the bathroom and lavatory facilities (if the
demised premises encompass the entire floor of the building) and the win-
dows and window sills, and the fixtures and appurtenances therein and
at Tenant's sole cost and expense promptly make all repairs thereto and to
the building, whether structural or non-structural in nature, caused by or
resulting from the carelessness, omission, neglect or improper conduct of
Tenant, Tenant's servant, employees, invitees, or licensees, and whether
or not arising from such Tenant conduct or omission, when required by
other provisions of this lease, including Article 6. Tenant shall also repair
all damage to the building and the demised premises caused by the moving
of Tenant's fixtures, furniture or equipment. All the aforesaid repairs
shall be of quality or class equal to the original work or construction. If
Tenant fails, after ten days notice, to proceed with due diligence to make
repairs required to be made by Tenant, the same may be made by the
Owner at the expense of Tenant, and the expenses thereof incurred by
Owner shall be collectible, as additional rent, after rendition of a bill or
statement therefor. If the demised premises be or become infested with
vermin, Tenant shall, at his expense, cause the same to be exterminated.
Tenant shall give Owner prompt notice of any defective condition in any
plumbing, heating system or electrical lines located in the demised
premises and following such notice, Owner shall remedy the condition
with due diligence, but at the expense of Tenant, if repairs are
necessitated by damage or injury attributable to Tenant, Tenant's ser-
vants, agents, employees, invitees or licensees as aforesaid. Except as
specifically provided in Article 9 or otherwise in this lease, there shall be
no allowance to the Tenant for a diminution of rental value and no liability
on the part of Owner by reason of inconvenience, annoyance or injury
to business arising from Owner, Tenant or others making or failing to
make any repairs, alterations, additions or improvements in or to any
portion of the building or the demised premises or in and to the fixtures,
appurtenances or equipment thereof. The provisions of this Article 4 with
respect to the making of repairs shall not apply in the case of fire or other
casualty with regard to which Article 9 hereof shall apply.

Window Cleaning: 5. Tenant will not clean nor require, permit, suffer or
allow any window in the demised premises to be cleaned
from the outside in violation of Section 202 of the New
York State Labor Law or any other applicable law or
the Rules of the Board of Standards and Appeals, or of any other Board
or body having or asserting jurisdiction.

Requirements: 6. Prior to the commencement of the lease term, if
of law, Tenant is then in possession, and at all times thereafter,
the Insurance, Tenant shall, at Tenant's sole cost and expense, prompt-
ly comply with all present and future laws, orders and
regulations of all state, federal, municipal and local
governments, departments, commissions and boards and any direction of
any public officer pursuant to law, and all orders, rules and regulations of
the New York Board of Fire Underwriters, or the Insurance Services Of-
fice, or any similar body which shall impose any violation, order or duty
upon Owner or Tenant with respect to the demised premises, whether or
not arising out of Tenant's use or manner of use thereof, or, with respect
to the building, if arising out of Tenant's use or manner of use of the
demised premises or the building (including the use permitted under the

including all necessary legal steps including filing such bonds
as will be set by the Court to remove the mechanics lien,
** which as to non-structural alterations only will not be unreasonably withheld or delayed.

lease). Except as provided in Article 30 hereof, nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has, by its manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant shall not do or permit any act or thing to be done in or to the demised premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Owner. Tenant shall not keep anything in the demised premises except as now or hereafter permitted by the Fire Department, Board of Fire Underwriters, Fire Insurance Rating Organization and other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the building, nor use the premises in a manner which will increase the insurance rate for the building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. If by reason of failure to comply with the foregoing the fire insurance rate shall, at the beginning of this lease or at any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Owner, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Owner which shall have been charged because of such failure by Tenant. In any action or proceeding wherein Owner and Tenant are parties, a schedule or "make-up" or rate for the building or demised premises issued by a body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises. Tenant shall not place a load upon any floor of the demised premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Owner reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Owner's judgment, to absorb and prevent vibration, noise and annoyance. Footnote #1

Subordination: 7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which demised premises are a part and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument or subordination shall be required by any ground or underlying lease or by any mortgage, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall execute promptly any certificate that Owner may request. Footnote #2

Property— 8. Owner or its agents shall not be liable for any damage, loss, damage, age in property of Tenant or of others authorized to employ on the building, nor for loss of or damage to any property of Tenant by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by or due to the negligence of Owner, its agents, servants or employees; Owner or its agents shall not be liable for any damage caused by other tenants or persons in, upon or about said building or caused by operations in connection of any private, public or quasi public work. If at any time any windows of the demised premises are temporarily closed, darkened or bricked up (or permanently closed, darkened or bricked up, if required by law) for any reason whatsoever including, but not limited to Owner's own acts, Owner shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement or diminution of rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable attorney's fees, paid, suffered or incurred as a result of any breach by Tenant, Tenant's agents, contractors, employees, invitees, or licensees, of any covenant or condition of this lease, or the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any sub-tenant, and any agent, contractor, employee, invitee or licensee of any sub-tenant. In case any action or proceeding is brought against Owner by reason of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by counsel approved by Owner in writing, such approval not to be unreasonably withheld.

Destruction, Fire and Other Casualty: 9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Owner and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by and at the expense of Owner and the rent, until such repairs shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent shall be proportionately paid up to the time of the casualty and thereafter shall cease until the date when the premises shall have been repaired and restored by Owner, subject to Owner's right to elect not to restore the same as herein after provided. (d) If the demised premises are rendered wholly unusable or (whether or not the demised premises are damaged in whole or in part) if the building shall be so damaged that Owner shall decide to demolish it or to rebuild it, then, in any of such events, Owner may elect to terminate this lease by written notice to Tenant, given within 90 days after such fire or casualty, specifying a date for the expiration of the lease, which date shall not be more than 60 days after the giving of such notice, and upon the date specified in such notice the term of this lease shall expire as fully and completely as if such date were the date set forth above for the termination of this lease and Tenant shall forthwith quit, surrender and vacate the premises without prejudice however, to Owner's rights and remedies against Tenant under the lease provisions in effect prior to such termination, and any rent owing shall be paid up to such date and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Owner shall

serve a termination notice as provided for herein, Owner shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition, subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Owner's control. After any such casualty, Tenant shall cooperate with Owner's restoration by removing from the premises as promptly as reasonably possible, all of Tenant's salvageable inventory and movable equipment, furniture, and other property. Tenant's liability for rent shall resume five (5) days after written notice from Owner that the premises are substantially ready for Tenant's occupancy. (e) Nothing contained hereinabove shall relieve Tenant from liability that may exist as a result of damage from fire or other casualty. Notwithstanding the foregoing, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible and to the extent permitted by law, Owner and Tenant each hereby releases and waives all right of recovery against the other or any one claiming through or under each of them by way of subrogation or otherwise. The foregoing release and waiver shall be in force only if both releasors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. If, and to the extent, that such waiver can be obtained only by the payment of additional premiums, then the party benefitting from the waiver shall pay such premium within ten days after written demand or shall be deemed to have agreed that the party obtaining insurance coverage shall be free of any further obligation under the provisions hereof with respect to waiver of subrogation. Tenant acknowledges that Owner will not carry insurance on Tenant's furniture and or furnishings or any fixtures or equipment, improvements, or appurtenances removable by Tenant and agrees that Owner will not be obligated to replace any damage thereto or replace the same. (f) Tenant hereby waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this article shall govern and control in lieu thereof.

Footnote #3

Emblem: 10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim for the value of any unexpired term of said lease.

Assignment, Mortgage, Etc.: 11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. Transfer of the majority of the stock of a corporate Tenant shall be deemed an assignment. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any wise be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

Electric Current: 12. Rates and conditions in respect to submetering or rent inclusion, as the case may be, to be added in RPSR attached hereto. Tenant covenants and agrees that at all times its use of electric current shall not exceed the capacity of existing feeders to the building or the feeders or wiring installation and Tenant may not use any electrical equipment which, in Owner's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no wise make Owner liable or responsible to Tenant for any loss, damages or expenses which Tenant may sustain. Footnote #4

Access to Premises: 13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable times, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to any portion of the building or which Owner may elect to perform in the premises after Tenant's failure to make repairs or perform any work which Tenant is obligated to perform under this lease, or for the purpose of complying with laws, regulations and other directions of governmental authorities. Tenant shall permit Owner to use and maintain and replace pipes and conduits in and through the demised premises and to erect new pipes and conduits therein provided, wherever possible, they are within walls or otherwise concealed. Owner may, during the progress of any work in the demised premises, take all necessary materials and equipment into said premises without the same constituting an eviction nor shall Tenant be entitled to any abatement of rent while such work is in progress nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof Owner shall have the right to enter the demised premises at reasonable hours for the purpose of showing the same to prospective purchasers or mortgagees of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants and may, during said six months period, place upon the premises the usual notices "To Let" and "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible by mortgagee or forcibly and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Owner or its agents liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation and such act shall have no effect on this lease or Tenant's obligations hereunder.

which work is pursuant to, in connection with or arising out of any of the terms and/or conditions of this Lease;

Rider to be added if necessary.

*on notice

**Landlord shall not have keys to the Premises

***on notice

****if an emergency

Vault, Vault Space, Area: 14. No Vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding. Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if the amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Tenant, if used by Tenant, whether or not specifically leased hereunder.

Occupancy: 15. Tenant will not at any time use or occupy the demised premises in violation of the certificate of occupancy issued for the building of which the demised premises are a part. Tenant has inspected the premises and accepts them as is, subject to the covenants hereunto with respect to Owner's work, if any. In any event, Owner makes no representation as to the condition of the premises and Tenant agrees to accept the same subject to violations, whether or not of record. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business, Tenant shall be responsible for and shall procure and maintain such license or permit.

Bankruptcy: 16. (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Owner by sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of any state naming Tenant as the debtor; or (2) the making by Tenant of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised but shall forthwith quit and surrender the premises. If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) It is stipulated and agreed that in the event of the termination of this lease pursuant to (a) hereof, Owner shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant as and for liquidated damages an amount equal to the difference between the rental reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four percent (4%) per annum. If such premises or any part thereof be let by the Owner for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages in any court, commission or tribunal, the amount of rent reserved upon such letting shall be deemed to be the fair and reasonable rental value for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Owner to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default: 17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent; or if the demised premises becomes vacant or deserted "or if this lease be rejected under § 235 of Title 11 of the U.S. Code (bankruptcy code);" or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the demised premises shall be taken or occupied by someone other than Tenant; or if Tenant shall make default with respect to any other lease between Owner and Tenant; or if Tenant shall have failed, after five (5) days written notice, to repossess with Owner any portion of the security deposited hereunder which Owner has applied to the payment of any rent and additional rent due and payable hereunder or failed to move into or take possession of the premises within fifteen (15) days after the commencement of the term of this lease, of which fact Owner shall be the sole judge; then in any one or more of such events, upon Owner serving a written five (5) days notice upon Tenant specifying the nature of said default and upon the expiration of said five (5) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said five (5) day period, and if Tenant shall not have diligently commenced during such default within such five (5) day period, and shall not thereafter with reasonable diligence and in good faith, proceed to remedy or cure such default, then Owner may serve a written three (3) days' notice of cancellation of this lease upon Tenant, and upon the expiration of said three (3) days this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Tenant shall then quit and surrender the demised premises to Owner but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall make default in the payment of the rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein required; then and in any of such events Owner may, without notice, re-enter the demised premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of demised premises

*reasonable

**and except that the HVAC, mechanical, electrical, and plumbing systems will be in good working order as of December 15, 1993

and remove their effects and hold the premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall make default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, Owner may cancel and terminate such renewal or extension agreement by written notice.

Remedies of Owner and Waiver of Redemption: 18. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the rent, and additional rent, shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, (b) Owner may re-let the premises or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent or charge a higher rental than that in this lease, (c) Tenant or the legal representatives of Tenant shall also pay Owner as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the subsequent lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Owner to re-let the premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage, advertising and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease and any sum brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Owner to collect the deficiency for any subsequent month by a similar proceeding. Owner, in putting the demised premises in good order or preparing the same for re-letting may, at Owner's option, make such alterations, repairs, replacements, and/or decorations in the demised premises as Owner, in Owner's sole judgment, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Owner shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rents collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws.

Fees and Expenses: 19. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under or by virtue of any of the terms or provisions in any article of this lease, then, unless otherwise provided elsewhere in this lease, Owner may immediately or at any time thereafter and without notice perform the obligation of Tenant thereunder. If Owner, in connection with the foregoing or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to attorney's fees, in instituting, prosecuting or defending any action or proceedings, then Tenant will reimburse Owner for such sums so paid or obligations incurred with interest and costs. The foregoing expenses incurred by reason of Tenant's default shall be deemed to be additional rent hereunder and shall be paid by Tenant to Owner within five (5) days of rendition of any bill or statement to Tenant therefor. If Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner as damages.

Building Alterations and Management: 20. ~~Owner shall have the right at any time without the same constituting an eviction and without incurring liability to Tenant therefor to change the management and/or location of public entrance, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the building and to change the name, number or designation by which the building may be known. There shall be no allowance to Tenant for diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner or other Tenant making any repairs in the building or any such alterations, additions and improvements. Furthermore, Tenant shall not have any claim against Owner by reason of Owner's imposition of any controls of the manner of access to the building by Tenant's social or business visitors as the Owner may deem necessary for the security of the building and its occupants.~~

No Representations by Owner: 21. Neither Owner nor Owner's agents have made any representations or promises with respect to the physical condition of the building, the land upon which it is erected or the demised premises, the terms, leases, expenses of operation or any other matter or thing affecting or related to the demised premises or the building except as herein expressly set forth and no rights, covenants or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this lease. Tenant has inspected the building and the demised premises and is thoroughly acquainted with their condition and agrees to take the same "as is" on the date possession is tendered and acknowledges that the taking of possession of the demised premises by Tenant shall be conclusive evidence that the said premises and the building of which the same form a part were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this contract, which done fully and completely expresses the agreement between Owner and Tenant and any executory agreement hereafter made shall be ineffective to

change, modify, discharge or effect an abandonment of it in whole or in part, unless such executive agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

End of Term: 22. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, broom clean, in good order and condition, ordinary wear and damages which Tenant is not required to repair as provided elsewhere in this lease excepted, and Tenant shall remove all its property from the demised premises. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday unless it be a legal holiday in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment: 23. Owner covenants and agrees with Tenant that upon Tenant paying the rent and additional rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 24 hereof and to the ground lease, underlying leases and mortgages heretofore mentioned.

Failure to Give Possession: 24. If Owner is unable to give possession of the demised premises on the date of the commencement of the term hereof, because of the holding over or retention of possession of any tenant, undertenant or occupants or if the demised premises are located in a building being constructed, because such building has not been sufficiently completed to make the premises ready for occupancy or because of the fact that a certificate of occupancy has not been procured or if Owner has not completed any work required to be performed by Owner, or for any other reason, Owner shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for Owner's inability to obtain possession or complete any work required) until after Owner shall have given Tenant notice that the premises are substantially ready for Tenant's occupancy. If permission is given to Tenant to enter into the possession of the demised premises or to occupy premises prior than the demised premises prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this lease, except as to the covenant to pay rent. The provisions of this article are intended to constitute "an express provision to the contrary" within the meaning of Section 222-a of the New York Real Property Law.

No Waiver: 25. The failure of Owner to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this lease or of any of the Rules or Regulations, set forth or hereafter adopted by Owner, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Owner of rent with knowledge of the breach of any covenant of this lease shall not be deemed a waiver of such breach and no provision of this lease shall be deemed to have been waived by Owner unless such waiver be in writing signed by Owner. No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this lease provided. All checks tendered to Owner as and for the rent of the demised premises shall be deemed payments for the account of Tenant. Acceptance by Owner of rent from anyone other than Tenant shall not be deemed to operate as an assignment to Owner by the payer of such rent or as a consent by Owner to an assignment or subletting by Tenant of the demised premises to such payer, or as a modification of the provisions of this lease. No act or thing done by Owner or Owner's agents during the term hereby demised shall be deemed an acceptance of a surrender of said premises and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner's agent shall have any power to accept the keys of said premises prior to the termination of the lease and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the premises.

Waiver of Trial by Jury: 26. It is mutually agreed by and between Owner and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this lease, the relationship of Owner and Tenant, Tenant's use of or occupancy of said premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Owner commences any summary proceeding for possession of the premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding. Footnote #5

Inability to Perform: 27. This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no wise be affected, impaired or excused because Owner is unable to fulfill any of its obligations under this lease or to supply or is delayed in supplying any service expressly or implicitly to be supplied or is unable to make, or is delayed in making any repair, addition, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Owner is prevented or delayed from so doing by reason of strike or labor troubles or any cause whatsoever beyond Owner's sole control including, but not limited to, government preemption in connection with a National Emergency or by reason of any rule, order or regulation.

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tion of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

Bills and Notices: 28. Except as otherwise in this lease provided, a bill, statement, notice or communication which Owner may desire or be required to give to Tenant, shall be deemed sufficiently given or rendered if, in writing, delivered to Tenant personally or sent by registered or certified mail addressed to Tenant at the building of which the demised premises form a part or at the last known residence address or business address of Tenant or left at any of the aforesaid premises addressed to Tenant, and the time of the rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is delivered to Tenant, mailed, or left at the premises as herein provided. Any notice by Tenant to Owner must be served by registered or certified mail addressed to Owner at the address first hereinabove given or at such other address as Owner shall designate by written notice.

Water Charges: 29. If Tenant requires, uses or consumes water for any purpose in addition to ordinary lavatory purposes (of which fact Tenant constitutes Owner to be the sole Judge) Owner may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Owner for the cost of the meter and the cost of the installation, thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense in default of which Owner may cause such meter and equipment to be replaced or repaired and collect the cost thereof from Tenant, as additional rent. Tenant agrees to pay for water consumed, as shown on said meter as and when bills are rendered, and on default in making such payment Owner may pay such charges and collect the same from Tenant, as additional rent. Tenant covenants and agrees to pay, as additional rent, the sewer rent, charge or any other tax, rent, levy or charge which now or hereafter is assessed, imposed or a lien upon the demised premises or the realty of which they are part pursuant to law, order or regulation made or issued in connection with the use, consumption, maintenance or supply of water, water system or sewage or sewage connection or system. If the building or the demised premises or any part thereof is supplied with water through a meter through which water is also supplied to other premises Tenant shall pay to Owner, as additional rent, on the first day of each month, $\frac{1}{100}$ of the total meter bill less Tenant's portion. Independently of and in addition to any of the remedies reserved to Owner hereinabove or elsewhere in this lease, Owner may sue for and collect any monies to be paid by Tenant or paid by Owner for any of the reasons or purposes hereinabove set forth.

Sprinklers: 30. Anything elsewhere in this lease to the contrary notwithstanding, if the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of the federal, state or city government recommend or require the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's business, or the location of partitions, trade fixtures, or other contents of the demised premises, or for any other reason, or if any such sprinkler system installations, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by any said Exchange or by any fire insurance company, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as required whether the work involved shall be structural or non-structural in nature. Tenant shall pay to Owner as additional rent the sum of \$ 100 percent on the first day of each month during the term of this lease, as Tenant's portion of the contract price for sprinkler supervisory service. Footnote #6

Elevators: 31. As long as Tenant is not in default under any of the covenants of this lease Owner shall: (a) provide necessary passenger elevator facilities on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m.; (b) if freight elevator service is provided, same shall be provided only on regular business days Monday through Friday inclusive, and on those days only between the hours of 9 a.m. and 12 noon and between 1 p.m. and 3 p.m.; (c) furnish heat, water and other services supplied by Owner to the demised premises, when and as required by law, on business days from 8 a.m. to 6 p.m. and on Saturdays from 8 a.m. to 1 p.m.; (d) clean the public halls and public portions of the building which are used in common by all tenants. Tenant shall, at Tenant's expense, keep the demised premises, including the windows, clean and in order, to the satisfaction of Owner, and for that purpose shall employ the person or persons, or corporation approved by Owner. Tenant shall pay to Owner the cost of removal of any of Tenant's refuse and rubbish from the building. Bills for the same shall be rendered by Owner to Tenant at such time as Owner may elect and shall be due and payable hereunder, and the amount of such bills shall be deemed to be, and be paid as additional rent. Tenant shall, however, have the option of independently contracting for the removal of such rubbish and refuse in the event that Tenant does not wish to have same done by employees of Owner. Under such circumstances, however, the removal of such refuse and rubbish by others shall be subject to such rules and regulations as, in the judgment of Owner, are necessary for the proper operation of the building. Owner reserves the right to stop service of the heating, elevator, plumbing and electric systems, when necessary, by reason of accident, or emergency, or for repairs, alterations, replacements or improvements, in the judgment of Owner desirable or necessary to be made, until said repairs, alterations, replacements or improvements shall have been completed. If the building of which the demised premises are a part supplies manually operated elevator service, Owner may proceed with alterations necessary to substitute automatic control elevator service upon ten (10) day written notice to Tenant without in any way placing the obligations of Tenant hereunder, provided that the same shall be done with the minimum amount of inconvenience to Tenant, and Owner pursues with due diligence the completion of the alterations.

Security: 32. Tenant has deposited with Owner the sum of \$ 31,733.34 security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent, Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which Tenant is in default or for any sum which Owner may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this lease, including but not limited to, any damages or deficiency in the re-letting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the Lease and after delivery of entire possession of the demised premises to Owner. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee and Owner shall thereupon be released by Tenant from all liability for the return of such security; and Tenant agrees to look to the new Owner solely for the return of said security, and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Captions: 33. The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

Definitions: 34. The term "Owner" as used in this lease means only the owner of the fee or of the leasehold of the building, or the mortgagee in possession, for the time being of the land and building (or the owner of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be and hereby is entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the building, or of the land and building, that the purchaser or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Owner hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "rent" includes the annual rental rate whether so expressed or expressed in monthly installments, and "additional rent." "Additional rent" means all sums which shall be due to new Owner from Tenant under this lease, in addition to the annual rental rate. The term "business days" as used in this lease, shall exclude Saturdays (except such portion hereof as is covered by specific hours in Article 31 hereof), Sundays and all days observed by the State or Federal Government as legal holidays and those designated as holidays by the applicable building service union employees service contract or by the applicable Operating Engineers contract with respect to HVAC service.

Adjacent Excavation— 35. If an excavation shall be made upon land adjacent to the demised premises, or shall be authorized to be

Space to be filled in or deleted.
See Footnote #8
See Section A-B.05 and Section A-B.06 (if included)
In Rider A, attached hereto.

Shoring: made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the demised premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which demised premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and Regulations 36. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with, the Rules and Regulations annexed hereto and such other and further reasonable Rules and Regulations as Owner or Owner's agents may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rule or Regulation hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rule or Regulation for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. The right to dispute the reasonableness of any additional Rule or Regulation upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice, in writing upon Owner within ten (10) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant and Owner shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

Glass: 37. Owner shall replace, at the expense of the Tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the demised premises. Owner may insure, and keep insured, at Tenant's expense, all plate and other glass in the demised premises for and in the name of Owner. Bills for the premiums therefor shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due from, and payable by, Tenant when rendered, and the amount thereof shall be deemed to be, and be paid, as additional rent.

Landlord and Tenant shall. 38. Tenant at any time, and from time to time, upon Estoppel Certificate: at least 10 days' prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement certifying that this Lease is unmodified in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates to which the rent and additional rent have been paid, and stating whether or not there exists any default by Owner under this Lease, and, if so, specifying each such default.

Directory 39. If, at the request of and as an accommodation to Tenant, Owner shall place upon the directory board in the lobby of the building, one or more names of persons other than Tenant, such directory board listing shall not be construed as the consent by Owner to an assignment or subletting by Tenant to such person or persons.

Successors and Assigns: 40. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns.

See Riders annexed hereto containing additional lease paragraphs.

In Witness Whereof, Owner and Tenant have respectively signed and sealed this lease as of the day and year first above written.

Witness for Owner:

Witness for Tenant:

NewGen Realty Partners L.P.

By: NewGen General Corp.

By: Arthur D. Sanders, President



Hercules Corp.

[L.S.]

By: Hercules Contracting Corp.



By: [Signature] [L.S.]

ACKNOWLEDGMENTS

CORPORATE TENANT
STATE OF NEW YORK,
County of

On this day of , 19 , before me

personally came
to me known, who being by me duly sworn, did depose and say that he resides

in

that he is the

of

the corporation described in and which executed the foregoing instrument, as
TENANT; that he knows the seal of said corporation; that the seal affixed to said in-
strument is such corporate seal; that it was so affixed by order of the Board of Direc-
tors of said corporation, and that he signed his name thereto by like order.

INDIVIDUAL TENANT
STATE OF NEW YORK,
County of

On this day of , 19 , before me

personally came

to me known and known to me to be the individual described in and who, as
TENANT, executed the foregoing instrument and acknowledged to me that he
executed the same.

IMPORTANT — PLEASE READ

RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 36.

1. The sidewalks, entrances, driveways, passages, courts, elevators, ventilates, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress or egress from the demised premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall of the building, either by any Tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sidewalks. If said premises are situated on the ground floor of the building, Tenant thereof shall further, at Tenant's expense, keep the sidewalk and curb in front of said premises clean and free from ice, snow, dirt and rubbish.

2. The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed and no sweepings, rubbish, eggs, acids or other substances shall be deposited therein, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose clerks, agents, employees or visitors, shall have caused it.

3. No carpet, rug or other article shall be hung or shaken out of any window of the building; and no Tenant shall sweep or throw or permit to be swept or thrown from the demised premises any dirt or other substances into any of the corridors or halls, elevators, or out of the doors or windows or stairways of the building and Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the building by reason of noise, odors, and or vibrations, or interfere in any way, with other Tenants or those having business therein, nor shall any animals or birds be kept in or about the building. Smoking or carrying lighted cigars or cigarettes in the elevators of the building is prohibited.

4. No awnings or other projections shall be attached to the outside walls of the building without the prior written consent of Owner.

5. No sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the demised premises or the building or on the inside of the demised premises if the same is visible from the outside of the premises without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the premises. In the event of the violation of the foregoing by any Tenant, Owner may remove same without any liability and may charge the expense incurred by such removal to Tenant or Tenants violating this rule. Interior signs on doors and directory tablet shall be inscribed, painted or affixed for each Tenant by Owner at the expense of such Tenant, and shall be of a size, color and style acceptable to Owner.

6. No Tenant shall mark, paint, drill into, or in any way deface any part of the demised premises or the building of which they form a part. No boring, cutting or

striking of wires shall be permitted, except with the prior written consent of Owner, and as Owner may direct. No Tenant shall lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used an inter-filling of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

7. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any Tenant, nor shall any changes be made in existing locks or mechanism thereof. Each Tenant must, upon the termination of his Tenancy, restore to Owner all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such Tenant, and in the event of the loss of any keys, so furnished, such Tenant shall pay to Owner the cost thereof.

8. Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the premises only on the freight elevators and through the service entrances and corridors, and only during hours and in a manner approved by Owner. Owner reserves the right to inspect all freight to be brought into the building, and to exclude from the building all freight which violates any of these Rules and Regulations of the lease of which these Rules and Regulations are a part.

9. No Tenant shall obtain for use upon the demised premises ice, drinking water, towel and other similar services, or accept barbering or hairdressing services in the demised premises, except from persons authorized by Owner, and at hours and under regulations fixed by Owner. Canvassing, soliciting and peddling in the building is prohibited and each Tenant shall cooperate to prevent the same.

10. Owner reserves the right to exclude from the building between the hours of 6 p.m. and 8 a.m. on business days, after 1 p.m. on Saturdays, and at all hours on Sundays and legal holidays all persons who do not present a pass to the building signed by Owner. Owner will furnish passes to persons for whom any Tenant requests same in writing. Each Tenant shall be responsible for all persons for whom he requests such pass and shall be liable to Owner for all acts of such persons. Notwithstanding the foregoing, Owner shall not be required to allow Tenant or any person to enter or remain in the building, except on business days from 8:00 a.m. to 6:00 p.m. and on Saturdays from 8:00 a.m. to 1:00 p.m.

11. Owner shall have the right to prohibit any advertising by any Tenant which in Owner's opinion, tends to impair the reputation of the building or its desirability as a loft building, and upon written notice from Owner, Tenant shall refrain from or discontinue such advertising.

12. Tenant shall not bring or permit to be brought or kept in or on the demised premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the demised premises.

13. Tenant shall not use the demised premises in a manner which disturbs or interferes with other Tenants in the beneficial use of their premises.

TO

STANDARD FORM OF
LOFT LEASE

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19

Address

Premises

Dated

Rent per Year

Rent per Month

Term
From
To

Drawn by

Entered by

Checked by

Approved by

FOOTNOTES TO STANDARD FORM OF LEASE

Footnote #1 - Notwithstanding anything to the contrary contained herein, unless arising out of Tenant's use or manner of use of the Premises, in which event Tenant shall comply, Landlord shall comply with all laws, orders and regulations that require structural changes or alterations to the Premises. Structural changes or alterations shall be defined to include only changes or alterations to the bearing walls, structural steel, foundation or roof deck of the Building.

Footnote #2 - Landlord agrees to use reasonable efforts to obtain from any holder of any future mortgages covering the Building and Land, any extension of the existing or future mortgages and underlying leases, a non-disturbance agreement in a form acceptable to Landlord's Mortgagee, providing in effect that so long as Tenant shall not be in default under this Lease beyond the expiration of any applicable grace period with respect to such default, that neither Tenant nor any party claiming through or under Tenant shall be named or joined as a party-defendant in any action or proceeding which may be instituted by the holder of any such mortgage to foreclose its mortgage, and that neither Tenant nor any party claiming through or under Tenant shall be evicted from the demised premises hereunder, nor shall Tenant's or such party's possession be affected or disturbed by any default under such fee mortgage. It is understood and agreed, however, that Landlord shall not be required to agree to any more onerous terms in any such mortgage, nor litigate the failure or refusal of a mortgagee to provide such non-disturbance agreement, nor refuse to accept any mortgage financing offered, in order to obtain such non-disturbance agreement in favor of Tenant hereunder. The cost and expense of attempting to obtain such non-disturbance agreements in favor of Tenant shall be borne by Tenant.


Footnote #3 - If Landlord elects not to terminate the Lease, then Tenant may terminate this Lease, by written notice to Landlord, if Landlord has not substantially completed the making of the required repair and restored and rebuilt the Building and the Demised Premises within twelve (12) months from the date of such damage or destruction.

Notwithstanding (c) and (d) above, if the Premises are totally damaged or rendered wholly unusable for Tenant's use set forth in Article 2 herein by fire or other casualty, during the last year of the term of this Lease, Owner or Tenant may terminate this Lease, by written notice to the other, given within forty-five (45) days after such fire or casualty, specifying a date for the expiration of the Lease, which date shall not be more than thirty (30) days after giving of such notice, and upon the date specified in such notice the term of this Lease shall expire as if such date were the date set forth for Lease termination.

Provided the Lease is not terminated, then in such event, the term of the Lease shall be extended by the period of time from the casualty to the date that the Premises are substantially ready for Tenant's occupancy. The Fixed Minimum Rent for the extended term shall be recomputed and increased as of the first day of the extended term in accordance with the Consumer Price Index formula set forth in Rider B.

Footnote #4 - Owner represents to Tenant that the utilities servicing the Premises are independent and separately metered from utilities servicing any other property.

Footnote #5 - however, Tenant's failure to interpose a counterclaim in Owner's summary proceedings is not to be construed as a waiver of the right to bring a separate action or proceeding.




Footnote #6 - Notwithstanding anything to the contrary contained herein, unless arising out of Tenant's use or manner of use of the Premises, in which case Tenant shall pay the entire cost, Landlord shall comply with all laws, ordinance, or regulations that require the installation or modification of a sprinkler system and Tenant shall reimburse Landlord by paying Landlord as additional Rent the cost of same amortized over ten (10) years, said cost to Tenant shall be the cost of said installation or modification multiplied by a fraction, the numerator of which shall be the number of years remaining in the term of the Lease and the denominator of which shall be ten (10) years.

Footnote #7 - If the Landlord stops any of said services for reasons other than performing work in, to, or for the Premises, Building, or Property, then Tenant's use may not be materially and adversely affected by said work. Notwithstanding anything to the contrary contained herein, the cessation of service will be for the minimum period of time necessary to complete said repairs, alterations, replacements or improvements.

Footnote #8 - (a) Tenant at its option may upon execution of this Lease, deposit with Landlord an unconditional, irrevocable, clean, standby letter of credit issued by a New York commercial bank acceptable to Landlord and running in Landlord's favor in the amount of \$31,733.34 as security (said amount to be increased annually so as to be equal to two (2) months of the Rent and additional Rent). If said Letter of Credit is for a term of one year, it shall provide for automatic renewal for one year periods during the term and any extension thereof. However, the letter of credit term must be extended for at least thirty (30) days after the expiration of the lease term and any renewal term. During the term, Landlord may have recourse to such security pursuant to this Paragraph 32, in which case Tenant shall promptly restore said security. If said letter of credit is not renewed, Tenant shall deposit with Landlord the full security in cash.

(b) Tenant has until August 1, 1994 to deposit with Landlord the security deposit required under this Lease.



RIDER A

Provisions Of General Application

Tenant I.D. No. 011-083-0550-0001

Article A-1. Definitions

The following terms placed within quotations are used throughout this Lease with the respective definitions set forth below:

- A-1.01 Not Applicable.

A-1.02 "Building" shall mean any building of which the Premises are a part or which is included in its entirety in the Premises.

A-1.03 "Daily Late Charge" shall mean the daily sum of \$25.00 and increased annually at the same percentage increase as Minimum Rent shall increase.

A-1.04 "Minimum Rent" or "Fixed Rent" or "Fixed Minimum Rent" shall mean the annual rent specified in the preamble to this Lease, as increased in accordance with Article B-1.

A-1.05 "Landlord", "Owner" and "Lessor" are used interchangeably in this Lease and shall all have the meaning given "Owner" in the printed form portion of this Lease.

A-1.06 Not Applicable.

A-1.07 (a) "Minimum Insurance Coverage" shall mean the limits designated below for the corresponding types of insurance:

Types of Insurance

Insurance Limits - (All limits specified herein are subject to change by Landlord if the underlying limit of Landlord's blanket policy shall increase, provided however that all limits shall be commercially reasonable.)

Comprehensive General Liability

\$2,000,000.00 annual aggregate limit and \$1,000,000.00 limit per occurrence, written on an industry standard form.

Boiler & Machinery
Contents

Full Replacement Value Coverage
\$250,000.00

(b) Not Applicable.

A-1.08 "Monthly Tax Payment" shall mean the monthly sum of \$6,700.00, or such increased amount which shall result from any recomputation thereof under Section A-4.02.

A-1.09 Not Applicable

A-1.10 "Premises" and "Demised Premises" are used interchangeably in this Lease and mean the property leased to Tenant as described in the preamble to this Lease.

A-1.11 Intentionally Omitted.

A-1.12 (a) "Principals of Tenant" shall mean all persons and/or entities who own, directly or indirectly, ten percent or more of the beneficial ownership of Tenant, whose names, titles, addresses and home telephone numbers are set forth below:

<u>Name and Title</u>	<u>Address</u>	<u>Home Telephone</u>
Andrew May		
Alfred May		

(b) Tenant designates the following individual(s) as the person(s) to whom all notices, communications and correspondence pertaining to this Lease should be directed (Tenant may on written notice to Landlord change the designated individual):

<u>Name and Title</u>	<u>Business Address</u>	<u>Business Telephone</u>
Mathew Reich	(a) Prior to delivery of possession: 120 Nassau Avenue Inwood, New York 11696	742-6800
	(b) After delivery of possession: 550 West John Street Hicksville, New York 11801	

Unless indicated otherwise in this Lease, Landlord, at its option, may direct any notice to Tenant under this Lease to the Premises, or, if the preamble to this Lease refers to another office of Tenant, to such office. If more than one individual are enumerated above, Landlord's service of notice upon any one or more of them shall satisfy Landlord's notice obligations under this Lease.

A-1.13 "Rent" shall mean all amounts payable by Tenant under this Lease, including, without limitation, all Minimum Rent, real estate tax payments, insurance payments and utility, maintenance and late charges.

A-1.14 "Rent Commencement Date" shall mean February 1, 1994.

A-1.15 "Rentable Square Footage" of the Building shall mean approximately 40,000 square feet.

A-1.16 "Taxes" shall mean any and all taxes, assessments, sewer and water rents, rates and charges, license fees, impositions, liens, fees, penalties and all other municipal and governmental charges of any nature whatsoever (except only inheritance and estate taxes and income taxes not herein expressly agreed to be paid by Tenant), whether general or special, ordinary or extraordinary, foreseen or unforeseen, which may presently or in the future become due or payable or which may be levied, assessed or imposed by any taxing authority on or with respect to all or any part of the Premises, or upon the estate or interest of Landlord in the Premises or any part thereof, including, without limitation, all taxes and assessments for improving any streets, alleys, sidewalks, sidewalk vaults and alley vaults, if any.

A-1.17 "Tenant and Lessee" are used interchangeably in this Lease and shall be deemed to mean the person or entity described in the preamble to this Lease as having leased the Premises from Landlord, and any permitted successor to Tenant's interest hereunder.

A-1.18 "Tenant's Proportionate Share" shall mean 100 percent.

A-1.19 Tenant's federal taxpayer identification number is

A-1.20 "Term" shall mean the period for which Tenant shall have leased the Premises from Landlord hereunder as stated in the preamble to this Lease.

Article A-2. Rent

A-2.01 Tenant's obligation to pay Rent shall begin on the Rent Commencement Date.

Landlord may apply any payment by Tenant of Rent hereunder against any item(s), or portion(s) thereof, of Rent then remaining unpaid and any designation by Tenant as to the application of amounts paid by Tenant under this Lease shall not bind Landlord in any manner whatsoever.

A-2.02 If Tenant shall fail to pay Rent, in whole or in part, on or before the fifth day of any month during which the same shall become due, Tenant shall pay Landlord late charges computed by multiplying the Daily Late Charge by the number of days from the first day of such month through the date on which Tenant pays such Rent in full. Tenant shall become liable for the payment of separate late charges for each amount of Rent which remains unpaid. All late charges shall be deemed Rent and be payable by Tenant as they accrue, and Landlord shall have all rights with respect to the non-payment of late charges as Landlord has with respect to the non-payment of all other Rent due hereunder. Landlord's demand for and collection of late charges shall not be deemed a waiver of any remedies that Landlord may have under this Lease by summary proceedings or otherwise. Rent shall be deemed received (a) when delivered to Landlord, if Tenant's representative shall personally deliver the same to Landlord's office, or (b) on the date of the official U. S. Postal Service postmark stamped on the envelope in which the Rent is enclosed, if Tenant shall mail the same to Landlord.

A-2.03 If Tenant shall fail to vacate and surrender the Premises on the last day of the Term, Tenant, at Landlord's option, shall be deemed a month-to-month tenant and shall pay Landlord monthly rent at a rate equal to 300% of the Rent payable during the last month of the Term, subject to all of the other terms of this Lease insofar as they apply to a month-to-month tenancy. The application of this Section shall under no circumstances be deemed to establish a month-to-month or other form of tenancy in favor of Tenant.

A-2.04 If Landlord or Tenant bring an action against the other to enforce the provisions of this Lease or as a result of an alleged default under this Lease, the prevailing party in such action shall be entitled to recover reasonable attorney's fees from the other. Landlord shall also be entitled to recover from Tenant, Landlord's reasonable attorney's fees if a stipulation for the payment of rent or additional rent claimed was entered into in a summary proceeding.

A-2.05 Landlord's acceptance of Rent from any person or entity other than Tenant shall not be deemed to establish a tenancy of any nature with such party unless Landlord shall so elect in writing, nor shall the same relieve Tenant from any of its obligations under this Lease.

Article A-3. Indemnification

A-3.01 Tenant agrees to indemnify and hold harmless Landlord from and against any loss, cost, liability and expense of any nature whatsoever, including reasonable attorneys' fees and disbursements, which may arise in connection with Tenant's failure to surrender the Premises upon the expiration of the Term, including any claims by any succeeding tenant.

Article A-4. Real Estate Taxes and Assessments

A-4.01 Tenant shall pay as Rent during each year of the Term in accordance with Section 4.02 Tenant's Proportionate Share of all Taxes.

A-4.02 Tenant shall pay on the first day of each and every month during the first year of the Term, in advance, the Monthly Tax Payment. If at the end of the first lease year of the Term the total tax payments made by Tenant shall be less than the actual Taxes payable hereunder by Tenant for said year, Tenant shall pay the deficiency to Landlord upon demand. If such payments shall exceed the said actual Taxes, the excess shall be credited toward the Monthly Tax Payment next coming due. At the end of the first lease year of the Term, Landlord shall recompute the Monthly Tax Payment required to be made by Tenant during the second lease year of the term, said payments to be one-twelfth (1/12) of the total amount of the Taxes Tenant was required to pay during the first lease year of the Term.

A like procedure shall be followed for each succeeding lease year. Notwithstanding the foregoing, if at any time during any lease year Landlord shall determine that the Monthly Tax Payment will be insufficient to pay the Taxes as they come due, Landlord may, at its election, require Tenant to pay the amount of the deficiency in one payment or increase the Monthly Tax Payment.

In lieu of Landlord requiring Tenant to pay Taxes in the manner hereinabove set forth, Landlord may elect to require Tenant to pay Landlord Taxes within ten days after Landlord shall deliver to Tenant a demand thereof. Each such notice shall be accompanied by a copy of the appropriate tax bill.

A-4.03 Landlord's failure to deliver to Tenant a statement showing Tenant's liability for additional Taxes for any year during the Term under Section A-4.02 above shall neither prejudice nor waive Landlord's right to deliver any such statement for any subsequent year or include in said statement an amount of Rent due from Tenant for any increase in Taxes during a previous year in which Landlord did not provide Tenant with any such statement. Tenant's obligation to pay Rent under Section A-4.02 with respect to the last year of the Term shall survive the expiration of the Term.

A-4.04 Tenant shall in all events pay the full amount of any increases in Taxes which may result from any improvements made by or on behalf of Tenant. Taxes shall be apportioned at the commencement and expiration of the Term.

A-4.05 Landlord to the best of its knowledge represents that: (a) the Premises as of December 15, 1993 are fully assessed as improved, (b) the tax bill covers the Premises, Building and Property only, and (c) as of December 15, 1993 there are no exemptions or abatements.

A-4.06 Landlord shall upon the receipt of a refund, covering Taxes due during the term of the Lease, and if such refund is a refund covering a contest of Taxes on or after the date of this Lease, pay to Tenant, Tenant's pro rata share of any net refund. Net refund shall mean the total refund plus interest, if any, awarded thereon, less attorneys' fees, appraisal fees, disbursements and costs of the proceeding.

Article A-5. Insurance

A-5.01 Tenant acknowledges that Landlord maintains a blanket "all-risk" property insurance policy ("Landlord's Policy") which covers substantially all buildings and improvements owned from time to time by Landlord and all Rent due under all lease agreements pertaining to such buildings and improvements. Landlord's Policy provides protection against all risks and hazards as may from time to time be insurable thereunder, including, without limitation, fire, vandalism, malicious mischief, sprinkler leakage, boilers and

machinery and extended coverage type perils and public liability, personal and bodily injury and property damage. Landlord's Policy provides full replacement coverage, as the same may be determined from time to time.

If the premium for including the Premises under Landlord's Policy shall at any time during the Term increase over such premium in effect on the date of this Lease, Tenant shall pay as Rent in accordance with Section 5.02 Tenant's Proportionate Share of each such increase.

Tenant acknowledges that Landlord's Policy provides for a deductible in the event of an occurrence and submission of a claim. Tenant agrees that if any loss or damage to the Premises covered by Landlord's Policy shall occur as a result of any negligence, act, or failure to act of Tenant, Tenant's employees, officers, directors, agents, invitees or contractors, Tenant shall pay as Rent the lesser of (a) the repairs required to be made in the Premises or (b) the deductible. Landlord represents that its deductible shall be commercially reasonable.

Tenant acknowledges that Landlord's Policy is solely the property of Landlord, and that all rights and benefits thereunder shall accrue exclusively to Landlord or its designee. Further, Tenant agrees that it acquires no rights of any nature with respect to Landlord's Policy and the benefits and rights thereunder, whether by virtue of any theory of constructive trust or otherwise.

A-5.02 (a) Tenant shall pay Landlord's premiums for including the Premises under Landlord's Policy within five days after Landlord shall deliver to Tenant a demand thereof.

(b) Landlord's failure to deliver to Tenant a statement showing Tenant's liability for additional insurance premiums for any year during the Term under Section A-5.02 shall neither prejudice nor waive Landlord's right to deliver any such statement for any subsequent year or include in said statement an amount of Rent due from Tenant for any increase in insurance premiums during a previous year in which Landlord did not provide Tenant with any such statement. Tenant's obligation to pay Rent under Section A-5.02 with respect to the last year of the Term shall survive the expiration of the Term.

A-5.03 Tenant shall obtain and maintain in full force and effect during the Term (a) Public Liability Insurance on an occurrence basis written on a Comprehensive General Liability Basis, including Premises/Operations, Independent Contractor's Liability, Products/Completed Operations Liability, Water Damage Legal Liability, Sprinkler Leakage Legal Liability and a Broad Form Comprehensive General Liability Endorsement, covering occurrences in or about the Premises, with no deductible, (b) a Plate Glass Policy covering all plate glass in and about the Premises, if any, and (c) insurance against loss of or damage to Tenant's property and fixtures on or about the Premises by fire and such other risks and hazards as are insurable under the latest available standard form of policy for "all-risk" property insurance, providing full replacement value coverage. All such insurance shall be written with limits not less than the Minimum Insurance Coverage or any increased limits Landlord may from time to time reasonably require. All policies shall be written as primary coverage, not contributing with, nor in excess of, coverage that Landlord may carry. The Tenant shall not carry separate or additional insurance concurrent in form or contributing with any insurance required to be obtained by the Tenant under the Lease. All insurance maintained by Tenant under this Section shall name Landlord as a loss payee as respects the improvements and betterments of the Property and all insurance maintained by Tenant under (a) and (b) of this Section shall protect Landlord and name Landlord as an additional insured.

A-5.04 ON OR BEFORE THE DATE TENANT IS GIVEN KEYS TO THE PREMISES, Tenant shall deliver to Landlord certificates for the insurance specified in Section A-5.03, together with proof of payment of the premium for the same; all certificates required to be delivered to Landlord under this Lease as provided above and thereafter from time to time for the insurance specified in (a) and (b) of Section A-5.03 shall name Landlord as an additional insured, and shall state unequivocally that such policy shall not be cancelled or changed in any manner without sixty (60) days prior written notice to Landlord. Tenant shall renew or replace the same and shall deliver to Landlord certificates for all such renewals and replacements, at least thirty days before such policies, or any renewal or replacement policies, expire. All such insurance shall be issued by insurance companies having a Best's rating of at least A+/XV and licensed to do business in the State of New York and authorized to issue such policies. If Tenant shall fail to procure, place and/or maintain any such insurance and/or pay any and all premiums and charges therefor, Landlord may (but shall not be obligated to) do so and in such event Tenant shall pay the amount thereof, plus an administrative charge equal to ten percent of such amount, as Rent to Landlord on demand.

Tenant shall promptly deliver to Landlord a certificate for each endorsement to the aforementioned insurance permitted under this Lease, and a certificate naming Landlord as an additional insured for each separate or additional policy of insurance otherwise maintained by Tenant with respect to the Premises.

A-5.05 Tenant shall have included in each policy of insurance it is required to obtain and maintain under this Lease, as well as all other insurance policies pertaining to the Premises, Tenant's operation in the Premises and/or Tenant's fixtures and property in the Premises, a waiver of the insurer's right of subrogation against Landlord or, if such waiver should be unobtainable from any insurance company approved by Landlord or unenforceable (a) an express agreement that such policy shall not be invalidated if the insured waives or has waived before the casualty the right of recovery against any party responsible for a casualty covered by the policy, or (b) any other form of permission for the release of the other party. Tenant shall immediately notify Landlord if such waiver, agreement or permission shall not be, or shall cease to be, obtainable from any insurance company licensed to do business in New York State without additional charge or at all. In such case, if Landlord, at its option, shall agree in writing to pay the insurer's additional charge therefor, such waiver, agreement or permission shall (if obtainable) be included in the policy.

A-5.06 As long as Tenant's and Landlord's policies of insurance shall include the waiver of subrogation or agreement or permission to release liability referred to in Section A-5.05 and A-5.09, Tenant and Landlord, to the extent that such insurance is collected, hereby waives any right of recovery against the other, its employees, agents or contractors, for any loss occasioned by any insured casualty. In the event that at any time any of Tenant's or Landlord's insurance carriers shall not include such or similar provisions in one or more of Tenant's policies in accordance with Section A-5.05 and A-5.09, the waiver set forth in the foregoing sentence shall, upon notice given by Tenant to Landlord or Landlord to Tenant, be deemed of no further force or effect with respect to any insured risks under each such policy from and after the giving of such notice.

A-5.07 Each policy of insurance which Tenant is required to maintain under this Lease shall clearly specify by endorsement that (a) such policy may not be cancelled or changed in any manner which affects Landlord's interest thereunder without sixty days' prior written notice to Landlord by certified or registered mail, return receipt requested, (b) the policy is taken out at the request of Tenant, which is responsible for all premiums on said policy.

Further, each policy of insurance maintained by Tenant under (a) and (b) of Section A-5.03 shall clearly specify by endorsement that Landlord is an additional named insured under such policy.

A-5.08 In the event of any loss or damage in or about the Premises which constitutes a loss, damage, casualty or other occurrence covered by insurance maintained by Tenant under this Lease or Landlord under Section A-5.01, Tenant immediately shall give Landlord notice of such loss or damage by certified mail, return receipt requested.

A-5.09 Landlord shall have included in Landlord's Policy a waiver of the insurer's right of subrogation against Tenant or, if unobtainable (a) an express agreement that such policy shall not be invalidated if the insured waives or has waived before the casualty the right of recovery against any party responsible for a casualty covered by the policy, or (b) any other form of permission for the release of the other party. Landlord shall notify Tenant if such waiver, agreement or permission shall not be, or shall cease to be obtainable from any insurance company licensed to do business in New York State with additional charge or at all. In such case if Tenant, at its option, shall agree in writing to pay the insurer's additional charge therefor, such waiver, agreement or permission shall (if obtainable) be included in the policy.

Article A-6. Alterations: Removal By Tenant

A-6.01 All alterations to the Premises of any nature whatsoever ("Alterations") are subject to Article 3 of this Lease and the following requirements:

(a) Prior to the commencement of any Alterations, Tenant shall submit to Landlord, for Landlord's written approval which as to non-structural alterations only will not be unreasonably withheld or delayed, plans and specifications (to be prepared by and at the expense of Tenant) showing the proposed Alterations in detail satisfactory to Landlord. No Alterations shall begin until Landlord shall have approved such plans and specifications, in writing, and Tenant shall have delivered to Landlord certificates for all insurance Tenant is required to maintain under this Lease in connection with making Alterations. Tenant shall make all approved Alterations at its own expense, in accordance with the plans and specifications therefor approved by Landlord and then only by contractors and mechanics approved by Landlord. No amendments or additions shall be made to any plans and specifications for Alterations approved by Landlord without Landlord's prior written consent;

(b) The Alterations will not result in a violation of any certificate of occupancy covering the Premises or the Building;

(c) Intentionally Omitted;

(d) No part of the Property other than the Premises shall be physically affected. Without limiting the generality of the foregoing, Tenant shall not, without Landlord's specific prior written consent, cause to be made, constructed, erected, installed or otherwise placed through, on or about the exterior walls or the roof of the Building any holes, vents, windows, fans, pipes, ducts, doors, machinery, equipment, appliances (including, without limitation, air conditioning unit(s)), television or radio antenna or other tangible objects of any nature whatsoever;

(e) The proper functioning of the Building's equipment, in the sole opinion of Landlord, shall not be adversely affected;

(f) Upon completion of any Alterations (excluding mere decorations), Tenant shall deliver to Landlord a copy of "as-built" plans for such Alterations, provided said as-built plans are required by any law, ordinance or regulation or by the Building Department;

(g) Tenant shall not perform Alterations in any manner which for any reason whatsoever would interfere or conflict with work being performed by contractors or laborers then engaged in the Building or would in any way disturb the management, operation or maintenance of the Building or any part thereof; and

(h) No approval by Landlord of Alterations to be made by Tenant shall in any way be deemed to be an agreement by Landlord that such Alterations comply with applicable legal or insurance carrier requirements. Notice is hereby given that Landlord shall not be liable for any labor or materials furnished to Tenant, and that no mechanic's or other lien for such labor or materials shall attach to or affect any interest of Landlord.

(i) Throughout the performance of Tenant's Alterations, Tenant, at its expense, shall carry, or cause to be carried by Tenant's contractors and subcontractors all insurance, including without limitation, that required by Articles A-1.07 and A-5.03 of this Lease or as otherwise may be required by law. Tenant shall furnish Landlord with copies of the insurance policies required hereunder or certificates thereof that such insurance is in effect at or before the commencement of Alterations and, on request, at reasonable intervals thereafter during the continuance of Alterations.

(j) All work to be performed other than Landlord's Work shall be performed by Tenant in such a manner as to maintain labor harmony and not in any way disturb the management or operation of the Building.

A-6.02 Pursuant to Article 3 of this Lease, Landlord hereby elects to require Tenant to remove its installation in the Premises prior to the expiration of this Lease, at Tenant's sole expense.

Article A-7. Acceptance and Occupancy of the Premises

A-7.01 Landlord makes no representations as to the condition of the Premises. Tenant represents that it has inspected the Premises and agrees to accept the same "as is" except as otherwise expressly provided herein.

A-7.02 The taking of occupancy of the whole or any part of the Premises by Tenant shall be conclusive evidence, as against Tenant, that Tenant accepts possession of the same and that the Premises so occupied and the Property were in good and satisfactory condition at the time such occupancy was so taken and that the Premises were substantially as shown on Exhibit A, if any.

A-7.03 Landlord shall not be required to provide Tenant with possession of or keys to the Premises until Tenant shall have delivered to Landlord certificates of insurance as required under Section A-5.03 of this Lease. Landlord's refusal to grant Tenant occupancy of the Premises in accordance with the foregoing shall not be a defense of Tenant against its obligation to pay Rent.

Article A-8. Security Deposit

A-8.01 Landlord shall deposit all security under this Lease in an interest bearing account. All interest earned on the security hereunder (less Landlord's administration fee under Section A-8.02) shall be added to the then existing security and constitute additional security and be disposed of in the manner set forth in the Article of this Lease captioned "Security". Tenant's rights under this Lease to its security deposit may not be

assigned, transferred, pledged, mortgaged or otherwise encumbered by Tenant, and any attempt by Tenant to do so shall be void and of no effect.

A-8.02 Landlord shall retain an annual administration fee with respect to the security under this lease equal to one (1%) per cent per annum upon the security money so deposited. If the annual administration fee payable to Landlord hereunder at any time exceeds the amount permissible under applicable laws or if the fee is less than the amount permissible under applicable law, then such fee shall be the amount legally prescribed.

A-8.03 If at any time or times during the Term the amount of security (excluding any portion thereof which shall be accrued interest) then held by Landlord shall be less than two (2) months' installments of Minimum Rent, Taxes and, if Tenant is required to pay insurance in monthly installments, insurance, all at the then current rates hereunder, whether due to an increase in Rent or Landlord's application of all or part of the security in accordance with this Lease, Tenant shall deposit with Landlord an additional sum so that the security on deposit with Landlord shall then equal such two (2) months' installments in the aggregate.

Tenant shall make such payment no later than the payment due date of any increase in Rent, or, in the case of Landlord's application of security as aforesaid, within five days after Landlord's demand. Landlord shall have the same rights and remedies in the event of Tenant's failure to deposit with Landlord any security required under this Lease as Landlord has with respect to the non-payment of any other items of Rent.

A-8.04 Intentionally Deleted

A-8.05 At no time shall security, or any part thereof, be permitted to be used by Tenant toward the payment of its Rent or other obligations under this Lease.

Article A-9. Brokerage

A-9.01 Landlord and Tenant each represent to the other that the parties negotiated directly with each other and no broker or any other person or firm which by law might be entitled to a commission was involved in this leasing transaction. Tenant agrees to indemnify Landlord against all claims, liabilities and expenses (including, without limitation, reasonable attorneys fees and disbursements) arising out of any inaccuracy or alleged inaccuracy of Tenant's representation above. Landlord represents that Albert Centrella is no longer employed by Spiegel Associates, but was formerly an employee of Spiegel Associates and he is not a broker or finder entitled to a commission on this Lease.

Article A-10. Sewers & Sanitary Disposal Systems

A-10.01 If the Premises shall be connected to a sanitary disposal system for Tenant's exclusive use, Tenant shall be required to maintain, repair and replace the same at its sole cost and expense, and shall not be required to share in the expense of maintaining any other sanitary disposal system unless Tenant shall also use such other system.

A-10.02 Intentionally Omitted.

Article A-11. Noxious Odors, Noise, etc.

Tenant shall not permit any unusual, excessive or noxious noise, vibration, odor or other annoying condition to emanate from the Premises. Tenant shall within five (5) days cure any violation relating to same and Tenant's failure to eliminate the same within such five day period shall be deemed a material default of a substantial obligation of Tenant.

Article-12. Easements; Reservation of Rights

A-12.01 Landlord reserves the right to create and grant on or about the Premises utility easements in the form required by any utility company, whether public or private, in order to furnish utility services to the Premises or to any other premises.

A-12.02 Intentionally Omitted.

Article A-13. Non-Liability and Indemnification

A-13.01 Neither Landlord nor Landlord's principals, officers, directors, agents or employees (individually and collectively, the "Landlord Group") shall be liable to Tenant, its principals, officers, directors, agents or employees (individually and collectively, the "Tenant Group"), and Tenant shall save the Landlord Group harmless from any loss, liability, claim and/or expense (including, without limitation, reasonable attorneys' fees and disbursements) arising from or in connection with any injury to the Tenant Group, its contractors, licensees or invitees, any interruption of Tenant's business, or for damage to, or loss (by theft or otherwise) of, any property and/or fixtures of every kind, regardless of the cause thereof, unless the same shall be proximately caused by the sole negligence of Landlord for which Landlord is legally liable. Notwithstanding the foregoing, (a) Tenant immediately shall notify Landlord of any claim against Landlord, (b) the Landlord Group shall not be liable for any loss, damage or expense whatsoever to the extent of Tenant's insurance coverage therefor and (c) Tenant shall first seek reimbursement for any such loss, damage or expense against its insurance carrier.

A-13.02 Tenant indemnifies and shall hold harmless the Landlord Group from and against any and all loss, liability, claim and/or expense (including, without limitation, reasonable attorneys' fees and disbursements) in connection with or arising from (a) any default by Tenant under this Lease, (b) Tenant's use or occupancy of the Premises and/or any acts, omissions or the negligence of the Tenant Group in or about the Premises, including, without limitation, sidewalks, if any, adjoining the Premises. Tenant shall pay to Landlord as Rent an amount equal to all such losses, liabilities, claims and expenses within five days after Landlord's rendition to Tenant of bills or statements therefor.

A-13.03 If Tenant's use of the Premises shall be enjoined or prohibited, provided the same shall not have resulted from any act or omission by or on behalf of Tenant or use of the Premises in any manner other than as is permitted under this Lease, Tenant shall have the right to elect to terminate this Lease upon written notice to Landlord setting forth the date of termination, and such right shall be Tenant's sole available remedy against Landlord in connection therewith.

A-13.04 Notwithstanding anything in this Lease to the contrary, the Landlord Group shall have no personal liability under or with respect to this Lease and the liability of the Landlord Group in connection with this Lease is limited solely to Landlord's equity interest in the Property. Under no circumstances whatsoever shall Landlord be liable to Tenant in connection with this Lease for consequential or special damages.

Article A-14. Corporate Tenant and Partnership Tenant

A-14.01 If Tenant is a corporation, as a condition to the making of this Lease, Tenant shall within twenty days from the date of execution of this Lease deliver to Landlord a duly authorized resolution of the Board of Directors of Tenant, in form reasonably satisfactory to Landlord, ratifying and approving the terms and provisions of this Lease.

A-14.02 If Tenant is a partnership, or is comprised of two or more persons, individually or as co-partners of a partnership (individually and collectively, the "Partnership Tenant"), the following provisions shall apply to the Partnership Tenant: (i) Tenant represents that the ownership of and/or power to control a majority in interest of Tenant is vested and/or owned beneficially by the individual(s) executing this Lease and members of his or their immediate family, (ii) the liability of each of the parties comprising Partnership Tenant shall be joint and several, (iii) each of the parties comprising Partnership Tenant hereby consents in advance to, and agrees to be bound by, any modifications of this Lease which may hereafter be made and by any notices, demands, requests or other communications which may hereafter be given, by Partnership Tenant or by any of the parties comprising Partnership Tenant, (iv) any bills, statements, notices, demands, requests, service of process, or other communication given or rendered to Partnership Tenant or to any of the parties comprising Partnership Tenant shall be deemed given or rendered to Partnership Tenant and to all such parties and shall be binding upon Partnership Tenant and all such parties, (v) if Partnership Tenant shall admit new partners, all of such new partners shall, by their admission to Partnership Tenant, be deemed to have assumed performance of all of the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed, and (vi) Partnership Tenant shall give prompt notice to Landlord of the admission of any such new partners, and upon demand of Landlord, shall cause each such new partner to execute and deliver to Landlord an agreement in form satisfactory to Landlord, wherein each such new partner shall assume performance of all of the terms, covenants and conditions of this lease on Tenant's part to be observed and performed (but neither Landlord's failure to request any such agreement nor the failure of any such new partner to execute or deliver any such agreement to Landlord shall vitiate the provisions of subdivision (v) of this paragraph).

If there shall occur without Landlord's prior written consent, whether by operation of law or otherwise (including, without limitation, merger, consolidation and dissolution), any (a) transfer of Tenant's interest in this Lease, (b) if Tenant is a corporation, change in the ownership of and/or power to vote a majority of the outstanding capital stock of Tenant or (c) if Tenant is a partnership or other association, any change in the beneficial ownership of and/or power to control a majority in interest of Tenant, then Landlord may terminate this Lease upon thirty days' notice to Tenant. Notwithstanding anything to the contrary contained herein, Tenant may (1) have stock transfers between the immediate family members of Andrew May and/or trusts, for their benefit and (2) take the stock of Tenant public with an initial public offering. If Tenant does go public, the transfer of shares of publicly traded stock shall not be deemed an assignment or sublease within the meaning of this Lease.

Article A-15. Rent Control

If at the commencement of, or at any time(s) during the term of this Lease, the Rent shall not be fully collectible by reason of any Federal, State, County or local law, proclamation, order or regulation, or direction of a public officer or body pursuant to law, Tenant shall enter into such agreement(s), and take such other lawful steps (without additional expense to Tenant), as Landlord may request to permit Landlord to collect the maximum rents which may from time to time during the continuance of such legal rent restriction be legally permissible (but not in excess of the amounts reserved therefor under this Lease). Upon the termination of such legal rent restriction prior to the expiration of the term of this Lease, (a) the Rent shall become and thereafter be payable hereunder in accordance with the amounts reserved in this Lease for the periods following such termination and (b) Tenant shall pay to

Landlord, if legally permissible, an amount equal to (i) the Rent which would have been paid pursuant to this lease but for such legal rent restriction less (i) the Rent paid by Tenant to Landlord during the period(s) such legal rent restriction was in effect.

Article A-16. Tenant Defaults

A-16.01 Tenant agrees that in the event that Landlord shall commence a Summary Proceeding for non-payment of Rent to be paid by Tenant pursuant to the terms of this Lease, Tenant will not interpose any counterclaim or set-off of any nature whatsoever, however, this shall not prohibit Tenant from asserting such claim in a separate action or proceeding. If Tenant shall be evicted from or vacate the Premises or this Lease shall be terminated prior to its expiration as a result of Tenant's failure to perform any obligation hereunder, without limiting Landlord's other remedies under this Lease or at law, (a) if Landlord shall relet the Premises, Tenant shall remain liable for any deficiency in Rent which Landlord does not receive from the succeeding tenant and shall not be entitled to any excess Rent which Landlord may receive from such tenant, (b) Tenant shall reimburse Landlord as Rent for the cost of preparing the Premises for Tenant's occupancy, including, without limitation, Landlord's Work, if any, and all carpentry, electrical, HVAC, plumbing and painting work, (c) Tenant shall pay to Landlord the amount of any rent concession under this Lease, including, without limitation, the Rent, if any, which Tenant was not required to pay at the commencement of the Term, and (d) Tenant shall pay to Landlord all marketing costs and brokerage fees.

A-16.02 If Tenant shall default in the performance of any covenant, term or provision of this Lease, Landlord, without thereby waiving such default, may perform the same for the account and at the expense of Tenant, without notice in a case of emergency or if Landlord may be subject to any civil or criminal liability, and in any other case if such default shall continue for ten days after the date Landlord shall have given written notice to Tenant of its intention to do so. Landlord shall furnish Tenant with a bill for any costs and expenses Landlord may incur in so performing for Tenant's account, and Tenant shall pay as Rent the amount shown on each such bill within ten days after the same is sent by Landlord to Tenant.

A-16.03 Landlord's acceptance of a check, draft or any other instrument from Tenant in the payment of Rent is solely a consideration to Tenant. If (a) any check delivered to Landlord in payment of Rent hereunder shall be returned to Landlord for any reason whatsoever, including, without limitation, insufficient or deposited but uncollected funds, or (b) Landlord commences summary proceedings against Tenant for the non-payment of Rent or otherwise institutes any proceedings against Tenant as a result of Tenant's default hereunder, or (c) Tenant pays Rent after the tenth day of any month, Landlord may require Tenant to pay Rent by cash or bank certified check only.

A-16.04 If Tenant shall default (i) in the timely payment of Rent and such default shall continue or be repeated for three consecutive months or for a total of four months in any period of twelve months, or (ii) in the performance of any particular term, condition or covenant of this Lease more than six times in any period of six months, then, notwithstanding that such defaults shall have each been cured within the applicable grace periods under this Lease, if any, any further similar default shall be deemed to be deliberate and Landlord thereafter may terminate this Lease on ten days written notice to Tenant, without affording Tenant an opportunity to cure such further default.

A-16.05 Landlord and Tenant hereby acknowledge and agree that Landlord previously may have entered, or may hereafter enter, into another lease or leases with Tenant or an "Affiliate" (as herein

defined) of Tenant (any such lease being referred to as an "Other Lease"). Notwithstanding any provision in this Lease or in any Other Lease, Landlord and Tenant stipulate and agree that any default hereunder shall likewise constitute a default by Tenant (or the Affiliate, as the case may be) under any Other Lease and that a default by Tenant (or an Affiliate of Tenant, as the case may be) under any Other Lease shall constitute a default hereunder. While there presently may be no Other Lease, Landlord and Tenant agree that it is reasonably foreseeable, and they contemplate, that in the ordinary course of their business they may hereafter enter into an Other Lease and that Landlord would not enter into this Lease (or any Other Lease) but for the agreement set forth in the preceding sentence. For purposes hereof the phrase "Affiliate" shall mean any guarantor of the obligations of Tenant hereunder ("Guarantor"), or any business entity in which Tenant (or any director, or shareholder of Tenant, if Tenant is a corporation) or any Guarantor has any financial interest, direct or indirect.

A-16.06 The remedies of Landlord under this Lease shall be deemed cumulative and none of such remedies, whether exercised or not, shall be deemed to be to the exclusion of any other.

Article A-17. Eminent Domain

A-17.01 If the whole or substantially all of the Premises shall be acquired or condemned by eminent domain for any public or quasi public use or purpose or if Tenant's use and occupancy is materially and adversely affected, then and in that event, the term of this Lease shall cease and terminate from the date of title vesting in such proceeding and the Tenant shall have no claim against Landlord for the value of any unexpired term of said lease.

Termination shall be effected as of the time that possession of the part so taken shall be required for public use, Rent shall be apportioned and adjusted as of the time of termination and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

In the event that not more than 25% of the ground floor area of the Premises shall be taken by condemnation or in the event that the Lease shall not be terminated as aforesaid, then the Term of this Lease shall continue in full force and effect and the Landlord shall repair the remaining part of the Premises, if any part thereof has been taken in such condemnation, and thereafter the Rent shall abate in the proportion which the square foot area of any part of the Premises so taken bears to the entire Premises.

No part of any award for any such taking by condemnation or eminent domain shall belong to the Tenant and Tenant covenants to execute such instruments of assignment as shall be necessary or reasonably required by Landlord in any condemnation or eminent domain proceedings if so requested and to turn over to Landlord any damages that may be recovered in such proceedings. Any award, however, for damages for trade fixtures installed by Tenant or anyone claiming under Tenant at its own expense and which are not part of the realty shall belong to the Tenant.

The Landlord shall have the absolute right to settle any claim in condemnation proceedings without interference from Tenant and without any obligation to Tenant, and Landlord shall have the absolute right to make a conveyance of title of the real property being taken by condemnation proceedings to the public or quasi public authority having the power of eminent domain in lieu of the condemnation proceedings and where said conveyance is made in lieu thereof, it shall have the same force and effect herein as if the condemnation proceedings had proceeded to full and final completion.

A conveyance of title in lieu of such proceedings shall not be made prior to the actual commencement of proceedings or the filing of formal notice of the taking.

Article A-18. Miscellaneous

A-18.01 Any reference in the printed portion of this Lease to the City of New York and the Administrative Code of the City of New York shall, where applicable, be deemed to refer to the ordinances, rules and regulations of the county, town and other governmental authorities with jurisdiction over the Premises.

A-18.02 If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

A-18.03 This agreement shall be governed by and construed in accordance with the laws of the State of New York.

A-18.04 Any conflict between the printed form and Riders which together constitute this Lease shall be resolved in favor of the provisions of such Riders.

A-18.05 This Lease is submitted to Tenant for signature with the understanding that it shall not bind Landlord or Tenant unless and until it is duly executed by both Tenant and Landlord and a fully executed copy is delivered to Tenant.

A-18.06 If Landlord shall make application to any bank, insurance company or other institutional lender for a mortgage loan to be secured in part or in whole by the Building and such third party requires a certified financial statement of Tenant or other reasonable documentation of Tenant's financial condition, Tenant shall furnish the same to the lender promptly after Landlord's request, provided that said institutional lender executes and delivers to Tenant a confidentiality agreement in a form acceptable to said lender. Tenant shall only be required to deliver the certified financial statement directly to the lender. Other than said certified financial statement, Tenant is not required to furnish other documentation pertaining to its financial condition.

A-18.07 Intentionally Omitted.

A-18.08 Neither this Lease nor any memorandum hereof shall be recorded without Landlord's prior written consent.

A-18.09 Each provision of this Lease which requires the consent or approval of Landlord shall be deemed to require the same in each instance in which such provision may be applicable. Any consent or approval by Landlord to or of any act or omission by Tenant requiring Landlord's consent or approval shall not be deemed to waive any future requirement for such consent or approval to or of any subsequent similar act or omission. With respect to any provision of this lease which provides, in effect, that Landlord shall not unreasonably withhold or unreasonably delay any consent or any approval, Tenant shall in no event be entitled to make, nor shall Tenant make, any claim for, and Tenant hereby waives any claim for money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed consent or approval, but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

A-18.10 Tenant shall not, without Landlord's prior written consent, use, occupy, have any right to use or occupy, or otherwise have any interest in or to any space in the Building other than the Premises.

A-18.11 Tenant shall not, without Landlord's prior written consent, install or maintain, or permit any other party to install or maintain, any vending machines, pinball games, video games or any other mechanical or electronic device of any nature whatsoever, whether for the dispensing of food or other products or the provision of entertainment. Nothing in this Section A-18.11, however, shall prohibit Tenant from using mechanical or electrical equipment in its business or food vending machines for employee use only.

A-18.12 Tenant shall, at its own cost and expense, maintain in good condition and repair any loading platform, truckdock and or truck maneuvering space which is used exclusively by Tenant or to which Tenant has the right of exclusive use.

A-18.13 No interruption or malfunction of any utility services for any cause whatsoever shall constitute an eviction or disturbance of Tenant's use and possession of the Premises, or a breach by Landlord of any of its obligations hereunder or render Landlord liable for any damages (including, without limitation, consequential and special damages), or entitle Tenant to be relieved from any of its obligations hereunder (including, without limitation, the obligation to pay Rent) or grant Tenant any right of set-off or recoupment. In the event of any such interruption of any such services, Landlord shall use reasonable diligence to restore such service in any circumstances in which such interruption is caused by Landlord's fault.

A-18.14 If Tenant shall at any time fail to pay the water meter charges after demand therefor by the Landlord, the Landlord shall have the right, at its election to terminate and discontinue all water service to the Building including the right to remove the water meter from the Premises. The Tenant shall bear all costs of removal of the meter and/or discontinuance of service and all costs to restore the meter and resuming service.

A-18.15 Intentionally Deleted

A-18.16 Intentionally Deleted

A-18.17 Notwithstanding any other provision of this Lease, Landlord's or Tenant's service of notice by way of express mail or courier service shall be deemed sufficiently rendered so long as it satisfies all other requirements contained in the notice provision of the printed portion of this Lease, and shall be deemed given at the time when the same is mailed or delivered, respectively.

A-18.18 If the Premises include a basement, Tenant shall use the same only for storage purposes.

A-18.19 Tenant must give Landlord advance notice of the date and time when tenant plans to move in and out of the building.

A-18.20 Landlord's acceptance at its option of the check of any third party in payment of rent or of any other money obligation under this lease shall not be deemed an acceptance by Landlord of the maker or any endorser of such check as tenant hereunder or assignee of the Tenant hereunder.

A-18.21 The headings and captions of articles or paragraphs contained in this Lease and Exhibits and Riders attached hereto are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such articles or paragraphs nor in any way effect this Lease.

A-18.22 Both parties acknowledge and agree that this Lease has been freely negotiated by both parties, and that, in any dispute over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no presumption whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

Article A-19. Tenant's Representations and Warranties

A-19.01 As material inducements for Landlord entering into this Lease, Tenant hereby represents and warrants to Landlord that Tenant is a corporation duly organized and validly, existing under the laws of the State of New York; the persons executing and delivering this Lease on behalf of Tenant have been lawfully and duly authorized to do so; and when so executed and delivered this Lease represents the valid, binding and legally enforceable obligations of the Tenant.

Article A-20. Intentionally Omitted.

Article A-21.

A-21.01 Tenant grants Landlord Group and any tenant of property that is contiguous or adjoining the Property, including but not limited to a tenant of Area B (See Exhibit A), an easement, right of way and ingress and egress over and through the Property (generally marked in yellow on Exhibit A hereto) from West John Street (through the curbcut) and along the eastern boundary of the Property so as to enable access to any adjacent or contiguous property (or any portion thereof) to the east. Tenant shall be responsible for fifty percent (50%) of the cost of maintaining the fence along the easement and one hundred percent (100%) of the cost of maintaining the fence shown on Exhibit A and demising Area B from the remainder of the Premises. If Landlord recaptures Area B (See Article A-22) then Tenant shall be responsible for fifty percent (50%) of the cost of maintaining the fence shown on Exhibit A. If the fence along the easement shall be removed, then Landlord shall perform the maintenance of the easement area and Tenant shall pay Landlord fifty percent (50%) of the cost of same within ten (10) days of receipt of a bill from Landlord. Notwithstanding anything to the contrary contained herein, to the extent that any repair or maintenance is required to either fence or to the easement area and such repair or maintenance is required due to the negligence or wrongful act of Tenant or the contiguous party who shares the easement and/or fence(s) then said party shall be fully responsible for said repair or maintenance attributable to its negligence and/or wrongful act.

Article A-22.

A-22.01 Landlord has the right at any time on thirty (30) days notice to Tenant, to take back and recapture the area cross hatched in orange on Exhibit A hereto ("Area B"). From and after the date that Landlord recaptures Area B, Area B shall no longer be deemed part of the Demised Premises and Tenant's Monthly Tax Payment and Monthly Insurance Payment shall be reduced by the amount of taxes and insurance attributable to Area B. However, the Fixed Minimum Rent shall remain the same and shall not be modified or affected by Landlord's recapture of Area B. If Landlord's recapture of Area B shall result in the Town of Oyster Bay Building Department citing Tenant with a notice of violation due to a reduced parking ratio, Tenant shall immediately apply for a variance and use its best efforts to obtain said variance. Landlord will cooperate with Tenant at no cost to Landlord to obtain the variance. If Tenant after using its best efforts fails to obtain said variance and provided that Tenant's use and occupancy is materially and adversely affected then in such event, Tenant may terminate this Lease on sixty (60) days written notice to Landlord. If Tenant elects to terminate, Landlord may, upon giving Tenant written notice within ten (10) days after receipt of Tenant's sixty (60) day termination notice, elect to obtain the variance or provide other parking suitable to Tenant within sixty (60) days of Tenant's notice of termination. If Landlord obtains said variance or provides other parking suitable to Tenant, the Lease shall remain in full force and effect; otherwise the Lease shall terminate on the thirtieth (30th) day following the denial of Landlord's variance application.

RIDER B

Rent Escalation - Fixed and C.P.I.

B-1.01 The Fixed Minimum Rent of \$110,000.00 reserved in the preamble to this Lease shall be increased (the "Recomputed Fixed Minimum Rent") as of the first day of the second through seventh lease years of the Term, in accordance with the following schedule:

Lease Year	Recomputed Fixed Minimum Rent
2	\$155,008.00
3	\$162,358.00
4	\$170,075.50
5	\$178,178.88
6	\$186,687.42
7	\$187,613.39

B-2.01 The Fixed Minimum Rent of \$187,613.39 for the seventh lease year shall be recomputed and increased (the "Recomputed Fixed Minimum Rent") as of the first day of the eighth and each subsequent lease year of the Term, in accordance with the following formula:

$$\begin{array}{lcl} \text{Recomputed} & & \text{Current Minimum Rent x Final Index} \\ \text{Fixed Minimum Rent} & = & \text{Base Index} \end{array}$$


(a) The term "Current Fixed Minimum Rent" shall mean the annual Fixed Minimum Rent payable by Tenant as of the month for which the applicable Final Index is computed.

(b) The term "Index" shall mean the Consumer Price Index of the United States Bureau of Labor Statistics, or its successors, for All Urban Consumers, New York, New York - Northeastern N.J. area All Items (1982-84=100) or its successors. If the Consumer Price Index is discontinued, then that index or other measure substituted therefor by the United States Bureau of Labor Statistics, or its successor or any other reputable agency, shall be utilized in lieu of the Consumer Price Index.

(c) The term "Base Index" shall mean the Index for the month of October, 1999 for the purpose of calculating the Recomputed Fixed Minimum Rent for the eighth lease year of the Term, and each successive anniversary of said month for the purposes of calculating the Recomputed Fixed Minimum Rent for the ninth and tenth lease years during the Term.

(d) The term "Final Index" shall mean the Index for the month of October, 2000 for the purpose of calculating the Recomputed Fixed Minimum Rent for the eighth lease year of the Term, and each successive anniversary of said month for the purposes of calculating the Recomputed Fixed Minimum Rent for the ninth and tenth lease years during the Term.


B-2.02 Promptly after each annual recomputation of the Fixed Minimum Rent, Landlord shall notify Tenant of the increased Fixed Minimum Rent payable by Tenant during the ensuing lease year, and commencing with the first day of each such lease year the monthly installment of Rent payable by Tenant shall be increased accordingly.



B-2.03 If in any lease year the application of Section B-2.01 shall result in an increase in Fixed Minimum Rent over that of the previous lease year by a percentage less than the minimum percentage increase for such year specified below, then in lieu of such increase the Fixed Minimum Rent for such year shall be increased over that of the previous year by the minimum percentage specified below:

Lease Year	Minimum Percentage Increase
8	5%
9	5%
10	5%

B-2.04 For the purposes of this Article, the first lease year shall be deemed to end on January 31, 1995.



RIDER C

Provisions of Specific Application
Non-Office Premises

Article C-1. Repairs; Maintenance-Single Tenant

C-1.01 Tenant, at its sole cost and expense, shall keep and maintain the entire interior and exterior of the Premises, including, without limitation, all buildings and structures now or hereafter erected on the Premises, all walkways and parking areas on the Premises and all fixtures, machinery, plumbing lines, electrical wires (underground and above ground), systems (including, without limitation, heating and ventilating and air conditioning and sprinkler, if any) and other personal property of every nature now or hereafter attached to or used in connection with the operation of the Building. Tenant, without limiting the generality of the foregoing, shall make all structural and non-structural installations, modifications, alterations, repairs and replacements to the foregoing as may be necessary to keep the same in good order and condition and to comply with all laws and requirements of utilities. Such repairs and replacements shall be done in a good and workmanlike manner with materials at least equal in quality (but no used materials) to the construction materials as they existed on December 15, 1993 and, in the case of structural repairs, subject to Landlord's prior written approval of the materials, methods and contractors to be used or engaged. Notwithstanding anything to the contrary contained herein, Landlord at its sole cost and expense shall maintain, repair and replace if necessary the bearing walls, structural steel, foundation, roof deck and roof, except the cost of any roof replacement will be amortized over the useful life of the roof and Tenant shall pay Landlord as additional Rent the cost of the roof replacement multiplied by a fraction, the numerator of which shall be the number of years remaining in the Term of the Lease and the denominator of which shall be the number of years constituting the useful life of the roof. Tenant shall pay Landlord the cost of same in equal annual installments over the remainder of the life of the Lease term, commencing on the first day of the month immediately following the month in which the roof replacement is substantially completed and each successive anniversary of said month. Notwithstanding the above, Landlord shall not be responsible to repair and replace the above if said repair or replacement is caused or necessitated by Tenant or Tenant's employees, directors, officers, agents, invitees or contractors.

Tenant shall not commit or suffer waste or injury to the Premises. All janitorial work in and about the Premises shall be done by Tenant at its own cost and expense. Tenant shall keep the grass, if any, trimmed, maintain the grounds in a neat and presentable condition, free of trash, weeds and loose debris, and keep the sidewalks, entranceways, driveways and parking areas unobstructed, clean and free of rubbish, ice and snow. Tenant shall place all of its refuse and rubbish in a dumpster which Tenant shall obtain and maintain at the rear of the Premises. No trash or other debris shall be permitted to remain on or about the Property, including, without limitation, the ground surrounding the dumpster. If, in Landlord's opinion, the dumpster maintained by Tenant is insufficient for Tenant's use, Tenant shall at its own cost and expense obtain either a larger or, if space permits, an additional dumpster. During the third year of the Term and each third year thereafter, Tenant shall paint the exterior trim of the Premises, including, without limitation, all doors, door and window frames and facia.

C-1.02 If Tenant shall fail to perform any repairs or maintenance work as required under this Lease or necessitated by any breach by Tenant of its covenants hereunder within ten days of Landlord's notice thereof to Tenant or immediately in the case of an emergency, or, if such work be of such nature that it cannot with due diligence be completed within ten days and Tenant shall

not have commenced making such repair within such ten day period and thereafter prosecuted the same in good faith with due diligence to completion within a reasonable period of time, Landlord, without any further notice to Tenant, may perform such work. In such event, Tenant shall pay as Rent the cost of such work, plus twenty-five percent for overhead and supervision, on demand from Landlord. Receipted bills from contractors, materialmen and/or laborers shall be conclusive proof of the cost thereof.

C-1.03 Except as otherwise specifically provided in this Lease, neither the rights or privileges reserved hereunder by Landlord, nor the exercise thereof by Landlord, nor any reference herein to repairs by Landlord, shall impose any maintenance or repair liability or obligation upon Landlord. Nor shall Landlord's performance of any such maintenance or repair work as provided under Section C-1.02 above be deemed an assumption by Landlord of control over the Premises or any portion thereof.

C-1.04 Tenant shall not cause or permit any person to enter upon the roof of the Building except for the purpose of performing maintenance and/or repair work on the roof. If any such maintenance or repair work requires a penetration through the roof, Landlord, at its option and at Tenant's sole expense, may make such penetration. Tenant shall not allow any grease or other foreign substance of any nature to be deposited within the plumbing system or HVAC system servicing the Premises or elsewhere in or about the Premises. Nor shall Tenant cause or permit any materials or substances of any nature whatsoever to be poured or otherwise deposited in the storm drain and quarrels situated about the Property.

C-1.05 Tenant, at its own expense, shall obtain and maintain a supervisory service for the Building's sprinkler system, if any, and shall make all necessary repairs to such system.

C-1.06 During the Term, Tenant shall, at its sole cost and expense, maintain service agreements for the maintenance of all heating and air conditioning equipment in or on the roof of the Premises. Within thirty (30) days of the commencement of and during the Term, Tenant shall furnish Landlord with copies of all such agreements.

C-1.07 Tenant shall at its own expense, comply with all applicable laws, ordinances and requirements for the sorting or separation of Tenant's garbage.

Article C-2. Utilities

C-2.01 Tenant shall within five (5) days make application to Lilco and pay, as and when the same shall become due and payable, all charges for gas, electricity, heat, steam, hot water and other utilities supplied to the Premises. Landlord if necessary will request Lilco to take a final reading and disconnect the service to Landlord so that Tenant will be billed directly. Tenant shall pay all of the foregoing directly to the utility companies furnishing the different services, provided that if at Landlord's election any of said rents, rates or charges are billed directly to Landlord, Tenant shall pay each such amount to Landlord as Rent on demand. If the Premises do not constitute the entire Building and any such direct bills to Landlord pertain to utilities also furnished to other premises in the Building, then the amount due Landlord from Tenant for each such utility shall equal (a) Tenant's Proportionate Share of the total amount of each such bill which pertains to a utility furnished to all tenants in the Building or (b) Tenant's pro-rata share (based on the proportion of the Rentable Square Footage of the Premises to the total rentable square footage of all premises to which such utility is furnished) of the total amount of each such bill which pertains to a utility furnished to less than all tenants in the Building.

C-2.02 Tenant has a separate water meter and shall pay Landlord as Rent the water charge within 5 days of receipt of a bill from Landlord.

C-2.03 Tenant, at its sole cost and expense, shall maintain all Long Island Lighting Company service lines and meters located in or on the exterior of the Premises.

Article C-3. Parking Facilities

C-3.01 Intentionally Omitted.

C-3.02 Intentionally Omitted.

C-3.03 Landlord reserves the right, at any time and from time to time, to close all or any part of the parking facility as may be necessary, in Landlord's sole judgment, to prevent a dedication thereof and/or the accrual of any rights therein of any person or the public.

C-3.04 Intentionally Omitted.

Article C-4. Signage

C-4.01 Tenant shall not cause or permit the placement or other installation of any signs on or about the Property which are visible from outside the Premises without Landlord's prior written approval, and, after the installation of any such approved sign, Tenant shall not cause or permit the same to be changed or altered in any respect without Landlord's prior written approval. Any signs which Landlord may approve shall in all events comply with all applicable rules and regulations of county, town and other governmental authorities, be of a dignified character and satisfy such other standards as Landlord may require. The term "sign" shall be deemed to include, without limitation, any form of placard, light or other advertising symbol or object whatsoever, whether of a permanent or temporary nature.

C-4.02 Tenant shall not cause or permit the placement or other installation of any awning, security gates or bars of any nature in, on or above any window, door or other opening to the Premises without Landlord's prior written consent, except that Tenant may have security gates in the rear of the Premises provided Tenant removes said gates at the end of the term and repairs and restores the Premises from any damage caused by the installation and/or removal of said gates.

C-4.03 If the Premises shall not constitute the entire Building and the Premises shall be situated in whole or in part on the ground floor, Tenant shall place a sign on the back door, if any, of the Premises, indicating Tenant's name and the address of the Premises.

C-4.04 Unless the Premises shall constitute the entire Building, Landlord reserves the right to place a sign or signs on the exterior walls of the Premises and Building, indicating the name and/or business of other tenants in the Building.

Article C-5. Liability for Hazardous Wastes

C-5.01 Tenant shall not cause or allow to be caused on or about the Premises any Hazardous Environmental Condition and Tenant shall not store, manufacture, dispose of, process, keep, or maintain at the Premises any substance, or material whatsoever which has the potential of being deemed a hazardous substance or material by any governmental jurisdiction or authority including, without limitation, the governmental jurisdictions or authorities described below in the definition of term Hazardous Environmental Condition. Notwithstanding the above, Tenant may store, keep and maintain on the Premises any substance or material that is customarily employed in the business of Tenant, provided all

substances and materials are stored, kept and maintained in full compliance with all applicable laws and regulations and provided that said substances and materials are not and do not create a Hazardous Environmental Condition. Tenant shall indemnify and hold harmless Landlord, its officers, directors, principals, successors and assigns and the Property from and against any and all claims, obligations, liabilities, violations, penalties, fines, governmental orders, suits, causes of action, judgments, damages (civil, criminal or both) and all other costs and expenses of any nature whatsoever including without limitation consultants' fees and attorney's fees, which may result from any Hazardous Environmental Condition caused in connection with Tenant's use or occupancy of the Premises. The term "Hazardous Environmental Condition" shall mean any condition in, on or under the Premises arising from or in connection with any source or cause whatsoever, including, without limitation, the spilling, leaking, leaching, migration, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, petroleum or petroleum products, waste materials or other irritants, contaminants, pollutants or other substances of any nature into or upon land, the atmosphere, or any water course or body of water, or ground water whether sudden and accidental or over a course of time, which either (a) has caused or has the potential of causing bodily injury or property damage to any person or thing or (b) is or may hereafter be designated as a "hazardous waste", "hazardous substance", "regulated waste" or "regulated substance" or any other term of similar import by any governmental jurisdiction with authority, including, without limitation, the United States Environmental Protection Agency, the New York Department of Environmental Conservation and/or the Nassau County Department of Health, which requires or may hereafter require the development and implementation of a remedial program, and/or result in the imposition of fines and/or penalties, and/or impose on the Owner of the Premises any obligation whatsoever. The foregoing indemnification shall survive the termination of this Lease, and without limiting the generality of the foregoing and provided that the Hazardous Environmental Condition was caused in connection with Tenant's use or occupancy of the Premises, Tenant shall indemnify and hold harmless Landlord from and against (i) any and all liens for remedial expenses in favor of any federal, state and/or local governmental authority or municipality and (ii) any and all legal fees and disbursements in connection with defending any suits or proceedings pertaining to a Hazardous Environmental Condition including suits to enforce this Article.

C-5.02 Landlord and its employees and agents shall have the right to enter the demised premises at any time to conduct tests at Landlord's expense except at Tenant's expense if Tenant is in violation of C-5.01 and to inspect the demised premises. The purpose of any such tests or inspections shall be to determine the condition, specifically the environmental condition, of the Premises and to insure Tenant's compliance with Article C-5.01.

C-5.03 Landlord agrees to comply with any order or direction of the United States Environmental Protection Agency, the New York State Department of Environmental Protection, the Nassau County Department of Health, or any other agency having appropriate jurisdiction over the premises (the "Agency") which requires the removal of any contamination or remediation of any contaminating condition at the Premises caused by a release, discharge or dispersal of hazardous wastes or hazardous substances from or at the premises which occurred prior to the effective date of this Lease (hereinafter a "Covered Response") at its sole cost and expense and to defend and indemnify the Tenant from any claims by or proceedings instituted by any such agency to compel Tenant to perform a Covered Response. Landlord shall, however have the right, at its sole discretion, to institute or defend any appropriate action or proceeding relating to its obligation to perform any Covered Response and shall not be obligated to Tenant under the terms of this paragraph of this Lease unless and until there has been a final order entered in any such proceeding. For

there has been a final order entered in any such proceeding. For the purposes of this paragraph, the terms "hazardous wastes" and "hazardous substances" shall have the same meaning as that set forth in the Comprehensive Environmental Response Compensation and Liability Act of 1980. Notwithstanding anything to the contrary contained anywhere in this Lease, Tenant hereby grants Landlord the right to enter upon the premises to conduct any and all soil and groundwater testing which the Landlord, in its sole discretion, deems necessary and appropriate for the purposes of effectuating this paragraph.

C-5.04 Landlord shall have the burden of proof to establish that a Hazardous Environmental Condition at the Premises occurred on or after December 15, 1993, the date of delivery of possession to Tenant under a separate license agreement.

GUARANTY OF LEASE

ARTICLE I - DATE AND PARTIES

Section 1.01. This Guaranty is made as of March 7, 1994 by Andrew May as guarantor ("Guarantor") residing at 9 Rollinghill Road, Old Westbury, New York 11567 to, NewGen Realty Partners, L.P. ("Landlord") having offices at 375 North Broadway, Jericho, New York 11753.

ARTICLE II - Lease

Section 2.01. Simultaneously herewith Hercules Coinomatic Corp. and Hercules Corp. ("Tenant") has entered into a lease ("Lease") dated March 7, 1994, with the Landlord covering the premises ("Premises") known as 550 West John Street, Hicksville, New York.

Section 2.02. As a material inducement to the Landlord to enter into the Lease with the Tenant and in consideration for the Landlord doing so, the Guarantor is willing to Guaranty performance under the Lease as provided below.

ARTICLE III - Guaranty

Section 3.01. The Guarantor hereby unconditionally, absolutely and irrevocably guarantees to the Landlord:

(a) the prompt and timely payment of all amounts due up to six (6) months Rent and additional Rent to the Landlord from the Tenant pursuant to the terms of the Lease;

(b) payment of all costs, expenses and damages, including, without limitation attorney's fees and expenses which may arise as a result of any default under the Lease up to six (6) months Rent and additional Rent and/or the enforcement of this Guaranty;

Section 3.02. The Guarantor hereby unconditionally, absolutely and irrevocably waives:

(a) all notices or demands given or required to be given to Tenant under the Lease and/or to the Guarantor under this Guaranty, including, but not limited to, notice of

(i) any default under the Lease, or

(ii) any modification, extension or indulgence granted to Tenant, or

(iii) demand, presentment, notice of dishonor, notice of presentment or any other notice to which the undersigned may be entitled; and

(b) all right to trial by jury in any action or proceeding instituted hereinafter by the Landlord;

Section 3.03. The Guarantor hereby unconditionally, absolutely and irrevocably covenants and agrees that:

(a) this Guaranty shall;

(i) remain in full force and effect until Tenant has deposited with Landlord the entire security deposit due under the Lease in the amount of \$31,733.34;

(ii) not be terminated, modified, affected or impaired by reason of any

(1) extension, modification, or amendment of the Lease;

(2) action the Landlord may take or fail to take against the Tenant;

- (3) waiver or failure to enforce any of the rights or remedies available to the Landlord pursuant to the Lease or allowed at law or in equity; or
 - (iii) bind Guarantor, its heirs, executors, personal representatives, successors, assigns, and transferees; and
 - (iv) inure to the benefit of the Landlord, his heirs, executors, successors, assigns and transferees;
- (b) Guarantor may, at the Landlord's option, be joined in any action or proceeding against Tenant in connection with the Lease and recovery may be had against the Guarantor in any action without the Landlord first pursuing or exhausting any remedy or claim against Tenant;
- (c) the Guarantor will be conclusively bound, by the judgement in any action by the Landlord against the Tenant in connection with the Lease, as if the Guarantor was a party to such action even if not so joined as a party;
- (d) if this Guaranty shall be held ineffective or unenforceable by any court of competent jurisdiction, then the Guarantor shall be deemed to be the Tenant under the Lease, with the same force and effect as if the Guarantor had executed the Lease as Tenant.

ARTICLE IV - REPRESENTATIONS AND WARRANTIES

Section 4.01. The Guarantor hereby represents and warrants to the Landlord that

- (a) the Tenant is a corporation duly organized, validly existing and in good standing under the laws of the State of New York; and
- (b) the execution, delivery and performance by the Tenant of the Lease and of this Guaranty by the Guarantor have been duly authorized by the Tenant and the Guarantor, respectively, the persons doing so on behalf of each such party have been duly and validly authorized to do so, and when delivered, shall constitute the valid and binding obligations of the Tenant and the Guarantor, respectively.

ARTICLE V - MISCELLANEOUS

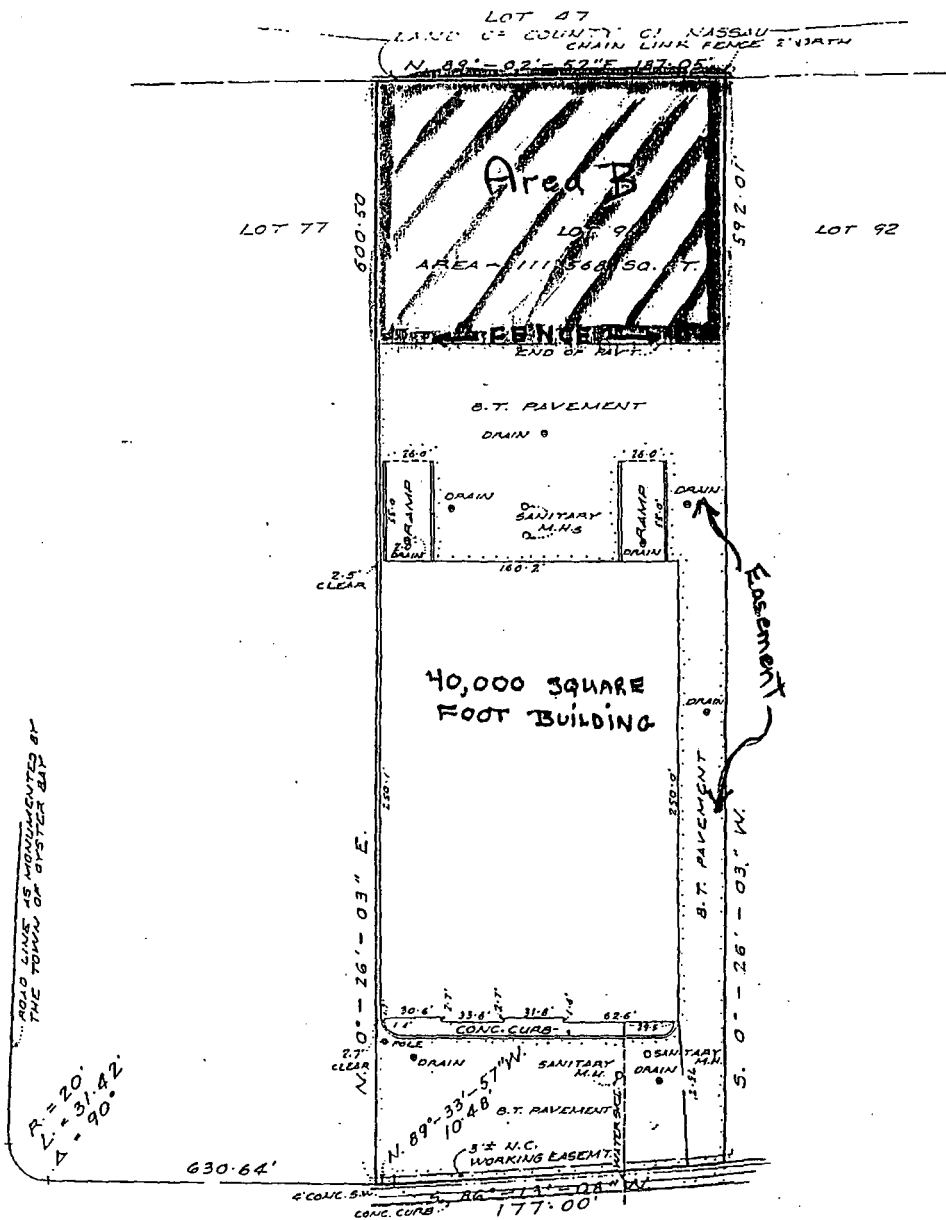
- (a) If more than one person signs this Guaranty as Guarantor, the liability of such Guarantors shall be joint and several.
- (b) Consent to jurisdiction/choice of law under this agreement shall be governed by and construed in accordance with the laws of the State of New York.
- (c) Whenever appropriate herein or required by the context or circumstances, the masculine shall be construed as the feminine and/or the neuter, the singular as the plural, and vice versa.
- (d) This Guaranty is binding upon the Guarantor, and his successors and assigns. This Guaranty shall be for the benefit of the Landlord and its successors and assigns.

IN WITNESS WHEREOF, this Guaranty has been duly executed by the Guarantor on the date first set forth above.

BY: _____

Andrew May

EXHIBIT "A"



WEST JOHN STREET
 72' WIDE
 BIT. MACAM PAV'T.

012302;080503
041603;092403

EXTENSION AND MODIFICATION AGREEMENT

AGREEMENT made as of the 7 day of ^{October}~~September~~, 2003 by and between NewGen Realty Partners, L.P., having an office at 375 North Broadway, Jericho, New York 11753 (hereinafter called the "Landlord") and Hercules Corp. f/k/a Hercules Coinomatic Corp., successor by merger to the former Hercules Corp. having an office at 550 West John Street, Hicksville, New York (hereinafter called the "Tenant").

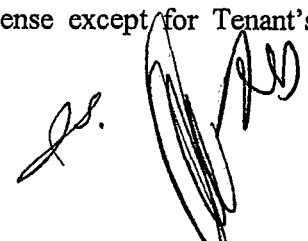
WITNESSETH

WHEREAS, by Lease in writing (hereinafter called the "Lease"), dated March 7, 1994, Landlord demised to Tenant the building and land commonly known as 550 West John Street, Hicksville, New York ("Premises"), for a term ending January 31, 2004; and

WHEREAS, the parties desire to extend and modify the Lease;

NOW, THEREFORE, it is hereby mutually agreed that the Lease shall be, and the same hereby is extended and modified as follows:

1. The Lease term is hereby extended for Ten (10) years, from February 1, 2004 to January 31, 2014, both dates inclusive ("the Renewal Term").
2. Effective February 1, 2004, the Minimum Rent shall be \$228,000.00 per annum for the first year of the Renewal Term. This amount shall be increased as of February 1, 2005 and each and every subsequent year of the Renewal by increasing the Minimum Rent for the previous Lease Year by three percent (3%) per annum.
3. The term "Landlord's Work" shall mean, and be strictly limited to, Landlord's performance of the items of construction as per Rider A attached hereto and incorporated herein. Landlord's Work shall be performed by Landlord at Landlord's expense except for Tenant's



contribution to be paid accordance with Landlord's work letter attached hereto. Tenant understands, acknowledges and agrees that the cost and expense of any changes and/or modifications requested by Tenant, to Landlord's Work will be at the sole cost and expense of Tenant. The cost and expense of any additional work, that Tenant requests the Landlord to perform, will be at the sole cost and expense of Tenant. Tenant will execute a Work Authorization Form for any additional Work requested by Tenant.

4. Landlord has performed certain roof work and repairs at the Premises. In that the Lease is hereby extended, Tenant's contribution to the cost thereof is the sum of \$108,111.65 ("Tenant's Share"). Tenant has agreed to pay Tenant's Share to Landlord with interest at the rate of 7.73% per annum amortized over 12 years in 144 equal monthly installments in the sum of \$1,154.27. The installments are due on the first day of each month in advance. The first installment was due July 1, 2001 and the final installment is due June 1, 2013. Landlord has received the installments due through September 30, 2003. If Tenant defaults under the Lease after the date hereof beyond any applicable grace period, all future installments due shall be accelerated and be immediately due and payable. All installments are considered Rent but are not subject to abatement or apportionment, except in the event of a casualty to the Premises or a condemnation and then, only to the extent insurance proceeds or condemnation awards are paid to Landlord to compensate Landlord for the loss of such item of Rent.

5. Tenant and Landlord hereby ratify, confirm and approve the Lease.

6. Except as modified herein, all provisions of the Lease remain in full force and effect. Neither the Lease nor this Extension and Modification Agreement can be changed, supplemented or

terminated orally. There are no oral agreements or understandings between the parties. Neither party nor any representative of either party has made any oral representations, warranties or promises to the other, or any representative of the other, of any kind nature or description.


7. Tenant warrants and represents that Hercules Corp., the entity which executed the Lease, together with Hercules Coinomatic Corp., were merged together and the surviving entity was Hercules Coinomatic Corp. and that, after the merger, Hercules Coinmatic Corp. by Certificate of Change changed its name to Hercules Corp.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above referred to.

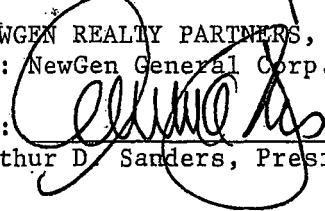
NEWGEN REALTY PARTNERS, L.P.
By: NewGen General Corp.

By: 
Jerry Spiegel, Vice President

HERCULES CORP.

By: 
Andrew May, President

NEWGEN REALTY PARTNERS, L.P.
By: NewGen General Corp.

By: 
Arthur D. Sanders, President

RIDER A

LANDLORD'S WORK CRITERIA

HERCULES COINOMATIC CORP.

550 WEST JOHN STREET, HICKSVILLE, NEW YORK

October 1, 2003

Tenant acknowledges and agrees to accept the existing Demised Premises in its "as is" condition in all respects as of the date hereof, except for "Landlord's Work." Landlord's Work shall mean and be strictly limited to the construction as described below in Paragraph A and as indicated on the attached Exhibit A with respect to items A(vi) - (viii) below. Landlord's Work does not imply any ongoing responsibility for repairs and maintenance, such conditions and terms being set forth in the body of this Lease (except for Landlord's warranty set forth below in Paragraph D). In the event of a discrepancy between the plan to be prepared by Landlord and this work letter, the work letter shall take precedence.

A. Landlord, through its affiliate, Rockstone Development Corp. (Rockstone), shall promptly have plans prepared and file for a building permit to perform the following work ("Landlord's Work"):

(i) the work necessary to demolish and remove existing building decorative masonry façade, windows, entrance door and side lights.

(ii) Existing masonry shall remain and be powerwashed and repaired/repointed where necessary. Create two additional windows openings (approximately 3' x 5') along the east wall at offices as directed by Tenant.

(iii) Existing windows to be replaced with new aluminum and insulated glass operable (awning type) windows including the two new windows on the east wall.

to be replaced with new aluminum and insulated glass doors and side lights

(iv) Existing white aggregate façade above the existing windows and entrance to be refinished with new façade (either synthetic stucco or aluminum and spandrel glass).

Material used shall be at the sole and absolute discretion of the Landlord.

(v) Remove the cladding, soffit and roofing on the existing canopy over the entrance and provide and new

finish on the existing framing. Selection of finish materials shall be at the sole and absolute discretion of the Landlord.

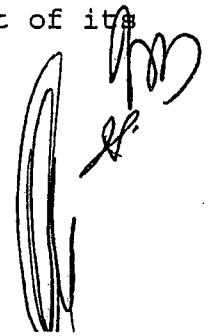
(vi) Provide up to two (2) new drainage pools in the rear yard of the building connected to the existing pool in the easterly loading dock and other drainage structures in the rear yard.

(vii) Overlay the parking area comprising the front yard, side driveway (east of building) and rear interior yard (fenced and adjacent to building) with asphalt including all necessary striping for parking in front yard.

(viii) Remove existing asphalt between sidewalk and wheel stops at south property line (West John Street) and replace with new landscaping and asphalt curb.

(ix) Replace existing sidewalk at building main entrance including handicap curb cut.

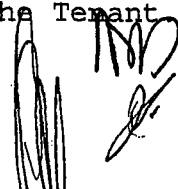
Landlord will provide Tenant with opportunity to review the plans and budget
LANDLORD SHALL EXPEDITIOUSLY COMMENCE LANDLORD'S WORK AFTER THE LATER OF: (i) RECEIPT OF A BUILDING PERMIT FOR LANDLORD'S WORK, (ii) APRIL 1, 2004, AND (iii) THE RECEIPT BY LANDLORD OF THE FIRST PAYMENT DUE FROM TENANT UNDER PARAGRAPH B. Thereafter, Landlord shall expeditiously and diligently prosecute to completion Landlord's Work, subject to delays due to reasons beyond its control and provided Tenant is not in default beyond any notice and grace period in the payment of rent or additional rent (including any of the payments required under Paragraph B below) due under the Lease or in the performance of any other material obligation to be performed by Tenant under the Lease during the performance of such work.

- B. Tenant shall pay, as additional rent, fifty percent (50%) of all costs incurred by Landlord ("Costs of Construction") in the performance of Landlord's Work (including without limitation, soft costs such as architectural, engineering, permitting fees and expenses and the construction management costs described below), provided that Tenant's contribution shall not exceed sixty thousand dollars and no cents (\$60,000.00). Landlord shall pay the balance of the Costs of Construction subject to payment by Tenant of its obligations above.
- 

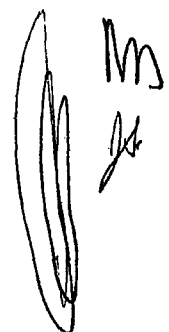
Rockstone will submit requisitions for payment as the job progresses and Tenant shall make payments to Landlord, as additional rent, pursuant to the following schedule:

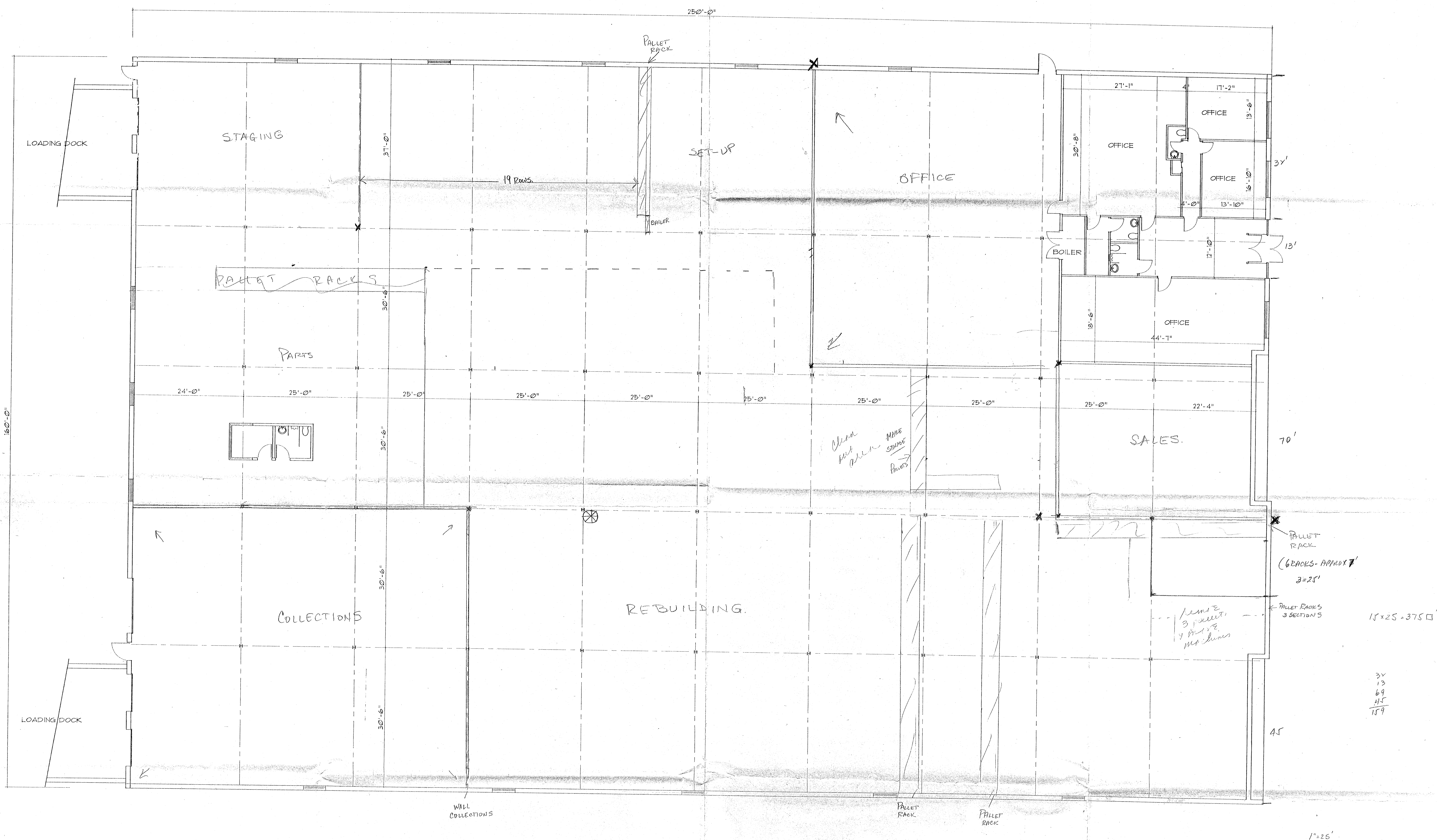
- a. Prior to commencement of Work (but not earlier than 1/1/04)
 - the lesser of \$30,000.00 or 25%
- b. Upon 25% completion of Work- the lesser of \$ 7,500.00 or 6.25%
- c. Upon 50% completion of Work- the lesser of \$15,000.00 or 12.5%
- d. Upon 75% completion of Work- the lesser of \$ 7,500.00 or 6.25%
- Total.... \$60,000.00 or 50%

- C. As part of the costs due under Paragraph B., Rockstone shall receive a fee (Construction Management Fee) of 15% of all of the other Costs of Construction including all professional fees (such as architectural, engineering and government agency filing fees), plus out of pocket expenses for payroll (Project Manager and Field Superintendent) and General Conditions (including, but not limited to, field office expenses, temporary services, site safety and maintenance, temporary signage, utilities (during construction), fire protection, cleaning and debris removal and hauling). Such out of pocket expenses shall be actual costs.
- D. All work shall be performed in an industry standard workmanlike manner, using new materials, and in accordance with all applicable laws, rules, ordinances and regulations. Work shall be expeditiously performed in a manner so as to minimize interference with Tenant's operations and business. Landlord warrants all Landlord's Work for a period of one (1) year from the date of substantial completion. Landlord shall be responsible for securing all necessary building permits and obtain all necessary Certificates of Occupancy or Completion for Landlord's Work.
- E. Landlord's Work shall be deemed substantially completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed. Landlord shall complete all work in an expeditious fashion subject to delays due to reasons beyond Landlord's control and provided Tenant is not in default beyond any notice and grace period in the payment of Rent of Additional Rent (including any of the payments required under Paragraph B).
- F. Any additional work that Tenant authorizes the Landlord to perform will be at the sole cost and expense of the Tenant.



Tenant will execute a Work Authorization Form prepared by Landlord and issue a check for the full amount of the cost of such work prior to Landlord performing any such additional work. Tenant shall submit its requirements for such additional improvements to Landlord and Landlord shall submit a written proposal to Tenant to perform the work as outlined.

Handwritten signature and initials. The signature is a large, stylized 'M' with a vertical line through it. To the right of the signature are the initials 'MS' and a small mark below them.



FLOOR PLAN

SCALE: 1/8" = 1'-0"

EXISTING FLOOR PLAN
AT
550 W. JOHN ST. HICKSVILLE, NY

FINKELESTEIN REALTY - 516- 747-5544
PHILIP MONASTERO, ARCHITECT - 516- 543-4766